

(22,709)

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1912.

No. 311.

THE RUBBER TIRE WHEEL COMPANY AND CONSOLIDATED RUBBER TIRE COMPANY, PETITIONERS,

vs.

THE GOODYEAR TIRE & RUBBER COMPANY.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT.

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a No. 2037.

United States Circuit Court of Appeals, Sixth Circuit.

THE RUBBER TIRE WHEEL COMPANY and THE CONSOLIDATED
RUBBER TIRE COMPANY, Appellants,

vs.

THE GOODYEAR TIRE AND RUBBER Co., Appellee.

Appeal from the Circuit Court of the United States for the Southern
District of Ohio.

RECORD.

Original Transcript Filed February 5, 1910.

1 TRANSCRIPT OF RECORD.

THE UNITED STATES OF AMERICA,
Southern District of Ohio, Western Division, ss:

In the Circuit Court of the United States within and for the Dis-
trict and Division Aforesaid.

Present, the Honorable John E. Sater, District Judge.

Among the proceedings had were the following, to-wit:

In Equity. No. 6280.

THE GOODYEAR TIRE & RUBBER COMPANY

vs.

THE RUBBER TIRE WHEEL COMPANY and CONSOLIDATED RUBBER
TIRE COMPANY.

Be it remembered, that on the 23rd day of August, in the year
of our Lord one thousand nine hundred and seven, there was filed
in the Clerk's Office of the Court aforesaid, a certain Bill of Com-
plaint in this cause, which said Bill of Complaint is clothed in
words and figures following, to-wit:

Bill of Complaint.

United States Circuit Court, Southern District of Ohio, Western Division.

In Equity.

THE GOODYEAR TIRE & RUBBER COMPANY

VS.

THE RUBBER TIRE WHEEL COMPANY and CONSOLIDATED RUBBER TIRE COMPANY.

Order to Show Cause.

Upon the filing of this bill and the application of counsel for The Goodyear Tire & Rubber Company, it is ordered as follows:

(1) That The Rubber Tire Wheel Company and the Consolidated Rubber Tire Company, defendants, are given until the 7th day of September, 1907, within which to show cause why they shall not be enjoined from suing, and interfering with, the customers of The Goodyear Tire & Rubber Company, in view of the decision of the circuit court of appeals for the sixth Circuit holding the patent to Grant No. 554,675, to be null and void, as prayed in the bill, and shall serve on the solicitor for complainant, on or before that date, copies of their showing.

2 (2) That The Goodyear Tire & Rubber Company is given until the 21st of September, 1907, within which to file affidavits in rebuttal of the showing made by the defendants and serve copies thereof on the solicitors for defendants.

(3) That the Marshal serve on defendants a copy of the bill of complaint and of this order when serving the subpoenas.

(4) That the motion of The Goodyear Tire & Rubber Company for such injunction will be set for hearing upon application of its counsel immediately after the rebuttal affidavits are filed.

United States Judge.

Cincinnati, Ohio, August, 1907.

United States Circuit Court, Southern District of Ohio, Western Division.

In Equity.

THE GOODYEAR TIRE & RUBBER COMPANY

VS.

THE RUBBER TIRE WHEEL COMPANY and CONSOLIDATED RUBBER TIRE COMPANY.

Bill of Complaint.

To the Judges of the Circuit Court of the United States for the Southern District of Ohio, Western Division:

The Goodyear Tire & Rubber Company, a corporation duly organized and existing under the laws of the State of Ohio, a citizen of said State, and an inhabitant of the northern district of Ohio, eastern division, with its principal place of business at Akron, in Summit County, in said State, brings its bill of complaint against The Rubber Tire Wheel Company, a corporation organized and existing under the laws of the State of Ohio, a citizen of said State and an inhabitant of the southern district of Ohio, western division, with an office at Springfield, in Clark County, in said State, and the Consolidated Rubber Tire Company, a corporation organized and existing under the laws of the State of New Jersey, a citizen and an inhabitant of said State, with offices and places of business at Cincinnati and Akron, in said State of Ohio, upon a cause of action in which the matter in dispute exceeds, exclusive of interest and costs, the sum and value of two thousand dollars.

(1) And thereupon your orator complains and says that prior to the year 1889, and from that time to the present continuously, it was and has continued to be engaged in the business of manufacturing and selling solid rubber tires for vehicles; that at the February term, 1899, said defendant, The Rubber Tire Wheel Company, filed a bill in the Circuit Court of the United States for the northern district of Ohio, eastern division, against your orator as defendant, in which bill it was alleged, among other things, that complainant therein was the owner of a certain alleged patent, granted out of the Patent Office of the United States to Arthur W. Grant on the 18th day of February, 1896, and numbered 554,675, for rubber tired wheels, and that the defendant (your orator herein) had infringed said alleged patent by the manufacture and sale of rubber tires embodying the elements of said alleged invention described and claimed in said alleged patent. Your orator appeared to said bill and answered the same, setting up, among other defenses, that the said patent was invalid; the complainant in said cause filed a replication to said answer, proofs were taken by the parties respectively, and said cause was submitted for final hearing by said court upon the bill, answer, replication, proofs and arguments of counsel on the 25th and 26th days of

March, 1901, and taken under advisement by the court. Afterwards said court made and rendered its decision in said cause, in which it found for the complainant, upon the ground stated in the opinion, filed at the time of the decision, that said patent No. 554,675 was valid and that the solid rubber tires manufactured and sold by the defendant in said cause (your orator here), of which specimens were in evidence before the court, were an infringement of said patent; and thereupon said court, on the 9th day of December, 1901, made and entered its decree, by which it was ordered and adjudged that both claims of said patent were good and valid and were infringed by said rubber tires of the defendant, and an injunction was ordered and the cause referred to a master to take and state an account; that thereafter said injunction was superseded.

(2) And thereupon your orator, defendant there and complainant here, prayed an appeal from said judgment and decree to the United States Circuit Court of Appeals for the sixth circuit, which was granted, and after due proceedings had, your orator filed a duly certified transcript of the pleadings, record, proceedings and judgment in said cause, with its appeal bond, as required by the court, in the office of the Clerk of said United States Circuit Court of Appeals for the sixth circuit on the 31st day of January, 1902, and the said cause came on to be heard in due form on appeal in said

4 court on the 14th and 15th days of April, 1902, before the Honorable Circuit Judges Lurton, Day and Severens, and was argued by counsel, and taken under advisement until the 6th day of May, 1902, when the said court rendered its decision in said cause and reversed the said judgment of the United States Circuit Court for the northern district of Ohio, eastern division, and held said patent 554,675 to be null and void, and directed that the bill be dismissed; whereupon said Circuit Court of the United States for the northern district of Ohio, eastern division, in conformity with the decree of said Circuit Court of Appeals, made and entered the final decree dismissing said suit on June 26th, 1902. The opinion of said Circuit Court of Appeals making and announcing said decision and stating the ground of the same is printed in the Federal Reporter, Vol. 116, p. 363, to which reference is hereby made. A printed copy of the record in said cause in the Circuit Court of Appeals of the United States for the sixth circuit will be produced in court, marked "Exhibit A," and copies of the decree of said Court of Appeals and of said Circuit Court are filed herewith and marked, respectively, "Exhibit B" and "Exhibit C."

(3) Your orator further shows that, in due order of pleading, the Consolidated Rubber Company was joined as co-complainant with the defendant, The Rubber Tire Wheel Company, by the filing of a supplemental bill on the 24th of May, 1900, setting forth the equitable interest of the Consolidated Rubber Tire Company in said alleged letters patent, and was a party to all of the proceedings, judgments and decrees in said cause, and that since, or before that date, and now, The Rubber Tire Wheel Company and the Consolidated Rubber Tire Company, are, respectively, owners of the legal title to said alleged patent 554,675, and of the alleged

equitable interest therein, and that said Consolidated Rubber Tire Company, as such alleged equitable owner, now has the alleged exclusive license, right and authority to make and vend rubber tires under said alleged patent 554,675, and has had such alleged right since or before said last named date.

(4) Your orator further shows that said The Rubber Tire Wheel Company and the Consolidated Rubber Tire Company, in said above recited cause, petitioned the Supreme Court of the United States that the writ of certiorari be issued directing the Circuit Court of Appeals of the United States for the sixth circuit to certify to that court for its review and determination the said cause of your orator vs. The Rubber Tire Wheel Company and the Consolidated Rubber Tire Company filing said petition at the October Term, 1902, of the Supreme Court of the United States, and that said petition was denied and dismissed on the 27th of October, 1902, the denial of said petition being reported in 187 U. S. 641, which is hereby referred to.

(5) Your orator, further complaining, shows to the court, on information and belief, that in June, 1907, the defendants herein brought suit, by bill in equity, in the Circuit Court of the United States for the eastern district of Missouri, eastern division, against the Banner Buggy Company and Russel E. Gardner, both of St. Louis, Missouri, setting up the same alleged United States patent to Arthur W. Grant, No. 554,675, dated February 18th, 1896, which was set up in said suit against your orator, and alleging infringement thereof by the manufacture, use and sale of solid rubber tires by the defendants therein containing the alleged invention covered by said patent, and praying for a permanent and also a temporary injunction, and an accounting of alleged profits and damages, and are intending and threatening to prosecute said suit to a decree or final hearing. Said Banner Buggy Company and Russell E. Gardner, defendants in said cause, are customers of your orator, and have been for some years past; that large portions of the solid rubber tires which they have handled, used or sold, and have been lately handling, using and selling, were manufactured by your orator and sold to them by it, and are involved in said suit; that these tires are the same, or substantially the same, as your orator's tires involved in said former suit when said alleged patent was adjudicated to be void; that said suit against these customers is an unlawful interference with your orator's trade with said customers, and will, if a decree is taken therein against said customers, create an irreparable loss to your orator and a menace to its trade with others.

(6) Your orator, further complaining, therefore, shows the court that the particular issue finally decided in those judgments between your orator and the defendants herein was that said alleged letters patent No. 554,675, dated February 18th, 1896, were null and void and that your orator's right to make and sell its said solid rubber tires as against any claims or interference by the defendants herein, under said alleged patent, was conclusively and finally adjudicated by said judgments in favor of your orator.

(7) Your orator, further complaining, shows to the court that by many years of devotion to business, and by a large expenditure of money and effort, it has built up an extensive and profitable trade in

6 said solid rubber tires for vehicles, extending to all parts of the United States; that your orator's customers are chiefly carriage manufacturers and carriage repairers, who purchase your orator's said rubber tires, being the same or substantially the same solid rubber tires as those before the courts in said cause wherein said alleged patent was held to be null and void; that these customers are very numerous and are scattered all over the United States; that the defendants herein, and particularly the Consolidated Rubber Company, manufacture and sell similar rubber tires; that it is not a matter of great importance to your orator's customers whether they buy and use your orator's rubber tires or the similar tires offered them by the defendants to deter your orator's customers and buyers generally from dealing with your orator by fears and threats of suit by the defendants under said alleged patent. From these circumstances it has happened that many of your orator's customers have been intimidated and others are now being intimidated by said suit now pending against said Banner Buggy Company and Russell E. Gardner, your orator's customers, as aforesaid; that some of your orator's customers are withholding the sending in of orders to your orator for its said rubber tires; that your orator is being compelled to offer indemnifying bonds and other guarantees to its said customers and to buyers generally, to hold them harmless as against any alleged claims and demands, threats of suits and suits by said defendants herein against them, all to the irreparable loss and injury to your orator's said business in said rubber tires and to the confusion, loss of trade and interference with your orator's said business in said rubber tires, conducted and existing by reason of the rights of your orator, as established by the said final decrees.

Inasmuch, therefore, as your orator is without any remedy, except in a court of equity, your orator prays that said defendants may be required to make full and direct answer to this bill (but not under oath, answer under oath being hereby waived; that the defendants, The Rubber Tire Wheel Company and the Consolidated Rubber Tire Company, may be enjoined against the Banner Buggy Company and Russell E. Gardner, in the Circuit Court of the United States for the eastern district of Missouri, eastern division, and also perpetually enjoined against bringing any suit or suits against any one in any United States court for alleged infringement of said alleged patent to Arthur W. Grant, No. 554,675, dated February 18th, 1896, by reason of the purchase, use or sale of any of said solid rubber tires manufactured by, and purchased from, your orator; and that your orator may have such other and

7 further relief as the equity of the case may require.

Your orator further shows that it has reason to fear, and does fear, that unless restrained by the order of this court pendente lite, said defendants will continue to send threatening letters and circulars to your orator's customers, as they have done in the past and are now doing, and to bring other suits against other customers

of your orator, as they have done in the past and are now threatening to do, and will continue to divert and interfere with, and endeavor to divert and interfere with, as they have already begun to do, your orator's said trade in said rubber tires, the right to pursue which was finally adjudicated, as aforesaid, all for the purpose of intimidating your orator's said customers and deterring them and others from buying said solid rubber tires from your orator, and from freely purchasing from your orator its said tires, so that before an injunction granted after final hearing can be issued, your orator will have suffered remediless loss in its business, and the main object of this present suit will have been defeated.

Wherefore your orator prays that, upon notice hereafter to be served, an injunction may issue pendente lite and until the further order of the court, restraining said The Rubber Tire Wheel Company and said Consolidated Rubber Tire Company, defendants, and each of them, as your orator has hereinbefore prayed.

And may it please your Honors to grant unto your orator a writ of subpoena ad respondendum, issuing out of and under the seal of this Honorable Court and directed to said The Rubber Tire Wheel Company and said Consolidated Rubber Tire Company, commanding them, and each of them, to appear and make answer to this bill of complaint and to perform and abide by such order and decree herein as to this court shall seem just.

And your orator will ever pray.

THE GOODYEAR TIRE & RUBBER
COMPANY,

By C. W. SEIBERLING, *Treas.*

H. A. TOULMIN,

Solicitor and of Counsel for Complainants.

STATE OF OHIO,

County of Summit, ss:

C. W. Seiberling, having been duly sworn, on his oath says that he is the Treasurer of The Goodyear Tire & Rubber Company, complainant named in the foregoing bill; that he has read the bill and that the same is true, of his own knowledge, except as to
8 those matters which are stated upon information and belief,
and that as to them he believes the bill to be true.

C. W. SEIBERLING.

Sworn to and subscribed before me, a Notary Public in and for Summit County, Ohio, this 22nd day of August, 1907.

[SEAL.]

FRANCIS SEIBERLING,
Notary Public, Summit County, Ohio.

EXHIBIT B.

United States Circuit Court of Appeals for the Sixth Circuit.

No. 1071.

GOODYEAR TIRE & RUBBER CO.

VS.

RUBBER TIRE WHEEL CO.

Appeal from the Circuit Court of the United States for the Northern District of Ohio.

This cause came on to be heard on the transcript of the record from the Circuit Court of the United States for the Northern District of Ohio, and was argued by counsel.

On consideration whereof, It is now here ordered, adjudged and decreed by this Court, that the decree of the said Circuit Court, in this cause be and the same is hereby reversed with costs and the cause is remanded to the said Circuit Court with directions to dismiss the bill of complaint.

May 6th, 1902.

EXHIBIT B.

United States Circuit Court of Appeals for the Sixth Circuit.

I, Frank O. Loveland, Clerk of the United States Circuit Court of Appeals for the Sixth Circuit, do hereby certify that the foregoing is a true and correct copy of the Decree rendered May 6th, 1902, in the case of Goodyear Tire Rubber Company vs. Rubber Tire Wheel Company, No. 1071, as the same remains upon the files and records of said United States Circuit Court of Appeals for the Sixth Circuit, and of the whole thereof.

In testimony whereof, I have hereunto subscribed my name, and affixed the seal of said Court, at the city of Cincinnati, Ohio, this 10th day of August, A. D., 1907.

[SEAL.]

(Signed) FRANK O. LOVELAND,
Clerk of the United States Circuit Court of
Appeals for the Sixth Circuit.

EXHIBIT C.

THE UNITED STATES OF AMERICA,
Northern District of Ohio,
Eastern Division, ss:

At a Stated Term of the Circuit Court of the United States, within and for the Eastern Division of the Northern District of Ohio, begun and held at the City of Cleveland, in said District, on the first Tuesday in April, being the 1st day of said month, in the year of our Lord one thousand nine hundred and two, and of the Independence of the United States of America the one hundred and twenty-sixth, to wit: on the 26th day of June, A. D. 1902.

Present: Honorable Francis J. Wing, United States District Judge.

Among the proceedings then and there had were the following, to-wit:

No. 5887. Chancery.

THE RUBBER TIRE WHEEL COMPANY et al.

vs.

THE GOODYEAR TIRE & RUBBER COMPANY.

This cause having been removed from this Court to the United States Circuit Court of Appeals for the Sixth Circuit by the appeal of The Goodyear Tire and Rubber Company, et al., from the decree of this Court in this cause in the above entitled action on the 9th day of December, 1901, and the said Circuit Court of Appeals having ordered and adjudged and decreed that the decree of the said Circuit Court in this cause be and the same is hereby reversed with costs with directions to dismiss the bill of complaint.

And the said Circuit Court of Appeals having remanded said cause to this Court as appears by its mandate now here.

Now, on motion of H. A. Toulmin and Squire, Sanders & Dempsey, Solicitors for respondents, it is ordered that the said mandate be filed in this Court and that the decree of said Circuit Court of Appeals be entered as the decree of this Court and in accordance with such mandate it is further ordered, adjudged and decreed that the bill of complaint herein be and the same is hereby dismissed and that said Complainant pay all costs herein expended and taxed for which execution is awarded.

THE UNITED STATES OF AMERICA, ss:

I, Irvin Belford, Clerk of the Circuit Court of the United States, within and for the Northern District of the State of Ohio, do hereby certify that I have compared the within and foregoing transcript with the original order entered upon the Journal of the proceedings

of said Court in the therein entitled cause, at the term, and on the day therein named; and do further certify that the same is a true, full and complete transcript and copy thereof.

Witness my official signature, and the seal of said Court, at Cleveland, in said District, this 12th day of August, A. D.,
10 1907, and in the 132d year of the Independence of the United States of America.

[SEAL.]
(Signed)

IRVIN BELFORD, *Clerk*,
By A. H. ELLIOTT,
Deputy Clerk.

Amendment to Bill of Complaint.

And to-wit: on the 11th day of May, A. D. 1908, came the Complainant by its Solicitor and filed in the Clerk's Office of the Court aforesaid, a certain Amendment to Bill of Complaint, in this cause, which said Amendment to Bill of Complaint is clothed in the words and figures following, to-wit:

United States Circuit Court, Southern District of Ohio, Western Division.

In Equity. No. 6280.

THE GOODYEAR TIRE & RUBBER COMPANY

VS.

THE RUBBER TIRE WHEEL COMPANY and CONSOLIDATED RUBBER
TIRE COMPANY.

Amendment to Bill of Complaint.

Now comes the Complainant, and by leave of Court first had and obtained, amends his bill of complaint herein as follows:

After paragraph numbered 5 insert:—

(5a) Your orator, further complaining, shows to the Court that among the said customers of your orator who have been purchasing its said rubber tires is the firm of Jose Alvarez & Co., located at Havana, in the Republic of Cuba, to whom your orator, for several years last yast, has been shipping said rubber tires, from its factory in Akron, Ohio; that said Alvarez & Co. are an established firm in Havana, Cuba, being dealers in carriages and saddlery, at Nos. 8 and 10 Calle de Aramburu Street, and up to a few weeks ago (April, 1908) had been buying large quantities of your orator's said rubber tires and during said several years last past; that said Alvarez & Co. have been reselling in the Republic of Cuba your orator's said rubber tires so exported by your orator into said Republic; that the manufacture and sale of said tires to said Alvarez & Co. were in pursuance of and under the decree aforesaid rendered by the United States Circuit Court of Appeals for the Sixth Circuit in favor of your orator

in the suit lately pending between it and The Rubber Tire Wheel Company and the Consolidated Rubber Tire Company, defendants herein, and that this trade between your orator and its said customer has been profitable and valuable to your orator and has continued in growing quantities of said rubber tires until a few weeks ago, 11 as aforesaid, when such trade was interrupted and suspended as aforesaid by reason of the unlawful interference by the defendants herein, and each of them, through their agent, one H. F. Manning, resident in Havana, Cuba, as a consequence and culmination of a suit theretofore instituted by The Rubber Tire Wheel Company through its said agent H. F. Manning, in Havana, Cuba, against said Alvarez & Co., to the great and irreparable loss and injury of your orator.

Said action by said The Rubber Tire Wheel Company, through its said agent H. F. Manning, your orator avers, on information obtained by investigation and on belief, was, in pursuance of the practice in Cuba, first instituted against its said customer Alvarez & Co., or against Jose Alvarez, as the manager and chief director of said firm, by causing a Notary Public of Havana, Cuba, to serve notice upon said customer to refrain from selling your orator's said rubber tires, said notice to refrain from being in the nature of an injunction and accompanied by a warning that The Rubber Tire Wheel Company would institute civil and criminal proceedings against your orator's said customer; that, pursuant to said Notarial action an order was issued at the instance of said The Rubber Tire Wheel Company, through its agent H. F. Manning, to seize at the store of said Alvarez & Co. specimens of rubber tires they were selling, and that as a consequence of said seizure said Jose Alvarez & Co. were compelled to deliver to the officers making the seizure a rubber tire of your orator's said manufacture, being one of the tires so sold by your orator to said customer; that, pursuant to said prosecution of your orator's customer by The Rubber Tire Wheel Company, an indictment was procured against said Jose Alvarez, as the manager and principal party in the firm of Jose Alvarez & Co., on this charge of alleged infringement by reason of the sale by said Alvarez and his company of your orator's said tires; that subsequently said indictment was quashed or terminated by an order of the court wherein the same was pending; that more lately a Court of review vacated the order annulling the indictment against your orator's said customer Jose Alvarez and ordered the indictment returned to the Judge of the Court of first instance (where the indictment arose), with directions to proceed with the trial of said Jose Alvarez under said indictment.

And further, the trade of said Alvarez & Co. in said Goodyear rubber tires is not only in the City of Havana, but extends largely throughout the island of Cuba, all of which trade is cut off 12 and suspended by the interference by defendants herein with said Jose Alvarez and his firm, Jose Alvarez & Company, as elsewhere averred herein.

The said action by said The Rubber Tire Wheel Company, through its said agent H. F. Manning, against your orator's said

customer, is based upon letters patent to A. W. Grant, No. 554,675, granted February 18th, 1896, as registered in Cuba, and which are the same letters patent that were declared null and void by the Circuit Court of Appeals for the Sixth Circuit in its decree aforesaid; said registration of said Grant patent in Cuba having been made by The Rubber Tire Wheel Company during the occupancy of the Island of Cuba by the United States military forces, namely, by a conditional registration on the 3rd of July, 1900, numbered 589, and by a final registration on the 29th of March, 1901, numbered 1223, pursuant to the provisions of a circular of April 11th, 1899 (Circular No. 12), Division of Customs and Insular Affairs, War Department, Washington, D. C., promulgated and published by G. D. Meiklejohn, Acting Secretary of War.

Wherefore your orator shows the Court that said The Rubber Tire Wheel Company and the Consolidated Rubber Tire Company, parties to said final decree in favor of your orator by the Circuit Court of Appeals for the Sixth Circuit, are now interfering with and obstructing the business of your orator in its said rubber tires manufactured and sold at Akron, Ohio, the right to make and sell which was secured by said decree, and are conducting this interference and obstruction by means of acting as American — Complainants suing as aforesaid your orator's said customer in the Courts of Cuba under the same letters patent, registered in Cuba under United States authority, which said Circuit Court of Appeals for the Sixth Circuit held to be null and void in and by said final decree in favor of your orator.

Inasmuch, therefore, as your orator is without any remedy except in a Court of Equity, your orator prays that said defendants, The Rubber Tire Wheel Company, and the Consolidated Rubber Tire Company and their agent, H. F. Manning, and another agent, attorney and officer may be enjoined against proceeding further with the prosecution of their said suit against Jose Alvarez or Jose Alvarez & Co., your orator's aforesaid customer, or any other customer or customers of your orator, and from instituting any other suit against any other customer of your orator on said letters patent 554,675, or any certificate or registration thereof here or elsewhere.

And said bill is further amended as follows:—

13 Paragraph 7, line 5, after "United States," insert "and in many foreign countries, particularly in the Republic of Cuba;"

Same paragraph, line 6, after "repairers," insert "and dealers."

In the same paragraph, line 11, after "United States," insert "and in numerous foreign countries, and particularly in the Republic of Cuba."

THE GOODYEAR TIRE AND RUBBER CO.
F. A. SEIBERLING, *President.*

Solicitor and of Counsel for Complainant.

STATE OF OHIO,

County of Summit, ss:

F. A. Seiberling having been duly sworn, on his oath says that he is President of The Goodyear Tire & Rubber Company, complainant named in the foregoing amendment to the bill of complaint herein; that he has read the said amendment and that the same is true, of his own knowledge, except as to those matters which are stated upon information and belief, and as to them he believes the amendment to be true.

F. A. SEIBERLING.

Sworn to and subscribed before me, a Notary Public in and for Summit County, Ohio, this 8th day of May, 1908.

[SEAL.]

GEORGE W. ROGERS,
Notary Public, Summit County, Ohio.

Affidavit of Frederick A. Seaman.

And on the 7th day of July, A. D., 1908, there was filed in the Clerk's Office of said Court, a certain affidavit of Frederick A. Seaman, which affidavit is clothed in the words and figures following, to-wit:

United States Circuit Court, Southern District of Ohio, Western Division.

THE GOODYEAR TIRE & RUBBER COMPANY

VS.

THE RUBBER TIRE WHEEL COMPANY and THE CONSOLIDATED RUBBER TIRE COMPANY.

STATE OF NEW YORK,

County of New York, ss:

Frederick A. Seaman being duly sworn says that he is the secretary and treasurer of The Rubber Tire Wheel Company and is familiar with its transactions and affairs, and has been so familiar for upwards of eight years last past; that on or about the 28th day of

14 August, 1903, the said Goodyear Tire & Rubber Company entered into a license agreement with the said The Rubber Tire Wheel Company, consisting of four parts, blank copies of which are hereto annexed and made part of this affidavit, marked License, Supplementary Agreement, Renewal Agreement, and Licensee's Agreement.

That the said Goodyear Tire & Rubber Company executed said agreement in the form of said exhibits hereto attached, with the blanks duly and properly filled in, and pursuant thereto manufactured tires thereunder and under said Grant patent No. 554,875, for the period of about one year; and the tires so manufactured by said

Goodyear Tire & Rubber Company during said time contained all the elements of, and were made substantially in accordance with the specifications of said Grant patent.

That the said Goodyear Tire & Rubber Company paid royalty under said agreement and in amount as therein provided for on such tires so manufactured under said patent to the said The Rubber Tire Wheel Company for the period of about one year, amounting to several thousand dollars.

That the said agreement was not renewed at the expiration of the first year.

That on or about December 11, 1903, the said defendant, Goodyear Tire & Rubber Company, united with others in a letter to the Rubber Tire Wheel Company, a copy of which is hereto annexed and marked "Defendant's Exhibit, Licensee's Letter."

The original of said letter was duly signed by the Goodyear Tire & Rubber Company and the other companies whose names are attached thereto.

I present herewith an extract from The Havana Daily Post, an English paper printed and published in Havana, Cuba, and dated October 29, 1907, which contains the following advertisement purporting to be issued by Jose Alvarez and Co., of Havana, in the following words:

"The Central.
Trademark Registered.
Firestone and Goodrich

are the best rubber tires known for carriages and automobiles. Sold and put on by the exclusive agents in Cuba.

Jose Alvarez and Co.,
Saddlery, Carriage Outfits and Cordage a Specialty,
Nos. 6 to 10 Aramburo St., Havana.
Telephone No. 1382."

I also present an extract from El Mundo, a daily newspaper published in Spanish in Havana, Cuba, on the 6th of January, 15 1908, containing an announcement purporting to be published by the said Jose Alvarez, of which the following is a translation:

"Director of El Mundo.

MY DEAR SIR, ETC.: In your issue of today, you publish under the title 'Usurpation of Patent' and as the brevity with which this notice of denunciation was given against me as a member of the firm of Jose Alvarez & Co. by the solicitor Mr. Granados for usurpation of patent gives occasion to twisted interpretations, and judgments unfavorable to my person and the firm which I represent, permit me to trouble your eminent attention with some explanation, whose publication I pray you to the end that your readers know what is the truth in the matter.

That we are the exclusive agents in the island of Cuba of the noted (or celebrated) solid rubber tires, of two outside wires, marked

'Firestone Tire and Rubber Co.' accepted by all without discussion as the best known for carriages and motors, is a thing known from Cape Saint Antonio to Point Maisé (i. e. from one end of the island to the other).

The denunciation of Solicitor Granados does not allude to these tires, but solely to those which for their adaptation to the wheels require the employment of two wires that run parallel through the interior of the rubber, which circumstance according to the agent of the Rubber Tire Wheel Co. is one of the characteristic elements and essentials of the Grant Patent in the U. S.

The Rubber Tire Wheel Co. are not the only ones that manufacture in the U. S. an export solid tires of two wires for vehicles, since also, during many years numberless factories of these U. S. among which we cite concretely the Firestone Tire and Rubber Co., The Goodyear Tire and Rubber Co. and The B. F. Goodrich Co., all of Akron, Ohio, whom we represent for years, and furthermore we receive the marks "Security" and "Pennsylvania" equally of two inside wires, manufactured in the U. S.

The Rubber Tire Wheel Co. has had litigation before the competent tribunals of the U. S. with all the factories that make tires with two inside wires, resulting sometimes favorable and others adversely to the Rubber Tire Wheel Co. The judgment devolved and pronounced by the Court and Courts of Appeal of the U. S. makes it evident and true that the manufacture and exportation of these tires has continued always, without interruption, and with the protection of the laws of that country up to this date.

We, preparing ourselves in time for whatever event, have received from the Goodyear Tire and Rubber Co.'s factory, 16 duly certified and legalized copies of the entire process, from the commencement until the last decision dictated by the Supreme Court against The Rubber Tire Wheel Co. and in favor of The Goodyear Tire and Rubber Co., represented by us, to whom this last resolution gives authority for the manufacture of tires of two inside wires. As long as there is a law in the U. S. that authorizes and protects the manufacture and exportation of said tires, I understand that I have the right to sell them freely in Cuba. And as we have never sold, and do not sell the tires of The Rubber Tire Wheel Co., whose mark is said to be inscribed in this island, indeed as it was not convenient to us, we maintain the criterion that we can sell all rubber tires of two inside wires that are not made by the Rubber Tire Wheel Co. and we will consequently make our rights prevail before the courts no- doubting they will render judgment in our favor, which we deem justice."

This article shows that the said Jose Alvarez is selling rubber tires manufactured by the Firestone Tire & Rubber Co., the Goodyear Tire & Rubber Co., the B. F. Goodrich Co., The Pennsylvania Rubber Co., and a tire called "Security," all of these tires being made in the United States.

I am informed and believe that the articles thus sold by Jose Alvarez consist of rubber strips manufactured in the United States and shipped to Jose Alvarez by the manufacturers, and these rubber

strips contain longitudinal passages for wires; but that the rubber strips are sold by the said Jose Alvarez to be assembled by the purchasers with wires and channels made by other parties.

FREDERICK A. SEAMAN.

Subscribed and sworn to before me this 16th day of June, 1908.

[SEAL.]

ANNA E. WALLACE,

Notary Public in and for Kings County.

Certificate filed in New York County.

My commission expires Mar. 30, 1909.

(Copy.)

DEFENDANT'S EXHIBIT, LICENSEE'S LETTER.

NEW YORK CITY, Dec. 11, 1903.

Rubber Tire Wheel Company, 40 Wall Street, City.

GENTLEMEN: Referring to the license which we have under your so-called Grant Patent, it is our opinion that unless certain changes in a very exceptional manner, or something very unexpected
17 occurs, it will be advisable for all of our Companies to continue acting under such license for its full term.

The reason why this letter is given to you is to make you satisfied to discontinue your litigation with the Kokomo Rubber Company so they may become members of the Licensee Association.

Yours very truly,

(S'g'd)

G. F. GOODRICH COMPANY,
By B. G. WORK,

Vice-Pres't Rubber Goods Mfg. Company.

ERNEST HOPKINSON,

Goodyear Tire & Rubber Company.

F. A. SEIBERLING,

Gen. Mgr. Firestone Tire & Rubber Company,

H. S. FIRESTONE, P't.

License Agreement. (License.)

This agreement, made this — day of —, 1903, by and between The Rubber Tire Wheel Company, a corporation organized and existing under the laws of the state of Ohio, party of the first part, and a corporation organized and existing under the laws of the state of —, party of the second part, witnesseth, as follows:

Whereas, the party of the first part is the owner of the entire right, title and interest in and to Letters Patent of the United States No. 554,675, dated February 18, 1896, and granted to Arthur W. Grant for invention in vehicle tires; and whereas, the party of the second part is desirous of obtaining the right to manufacture, use

and sell vehicle tires made under and in accordance with said Letters Patent;

Now, therefore, to all whom it may concern, be it known that for and in consideration of the sum of one dollar (\$1.00) and other good and valuable considerations paid by the party of the second part to the party of the first part, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. The party of the first part hereby gives and grants unto the party of the second part for the period of one year from the date hereof, and to the extent set forth in the "Supplementary Agreement" hereto annexed, the right and license to manufacture, use and sell vehicle tires and wheels made under and in accordance with said letters patent, except in the following territory, to-wit:

Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Texas, Virginia, District of Columbia, Maryland, city of Amesbury, Mass.; Berkshire county, Mass.; that
18 part of Vermont lying west of longitude 72 degrees and thirty minutes; counties of Essex, Clinton, Hamilton, Saratoga, Rensselaer, Schenectady, Schoharie, Columbia, Ulster, Franklin, Warren, Fulton, Washington, Albany, Montgomery, Greene and Dutchess in state of New York; California, Oregon, Washington, Idaho, Montana, Nevada, Arizona, New Mexico, counties of Montgomery, Butler and Warren in state of Ohio; Louisville, Ky.; New Albany, Ind.; radius of fifty miles of St. Paul, Minn.; city of Indianapolis, Ind., and the state of Tennessee.

And the party of the first part hereby agrees that during the existence of this agreement it will vigorously prosecute any and all infringers of said letters patent, except such as may be committed in the Sixth Circuit of the United States, Circuit Court of Appeals.

11. The party of the second part hereby agrees that it will pay on or before the 10th day of each calendar month to the party of the first part as a royalty for the right and license hereby granted, the sum of four per cent (4 per cent) of the net selling price of said tires and the further royalty of 20 per cent of the amount in dollars and cents of tires sold and delivered under this license during the preceding month over and above the quota specified in the "Supplementary Agreement" annexed hereto; that immediately on the signing of this agreement it will pay on its royalty account the sum of \$500 for each one per cent and ratably for each fraction thereof of its quota specified in said "Supplementary Agreement"; that during the existence of this agreement it will keep accurate books of account of the tires made, sold and delivered under this agreement, to whom sold, and the net selling price thereof; and that it will render to the party of the first part on or before the tenth day of each and every month during the existence of this agreement a statement under oath setting forth the amount of tires sold and delivered under this agreement and the net selling price thereof.

111. It is hereby mutually agreed by and between the parties hereto that this license agreement shall in no way prejudice either of the parties hereto, but that the legal status of the parties existing

prior to the execution of this agreement shall remain unaffected by this agreement in every respect.

In witness whereof, the parties hereto have executed these presents by their proper officers duly authorized thereto.

Witnesses:

(Supplementary Agreement.)

Whereas, the Rubber Tire Wheel Company and _____ have entered into a license agreement of even date herewith, which agreement is annexed hereto and forms a part hereof; and

Whereas, the party of the first part has entered into license agreements with the following companies: The Goodyear Tire & Rubber Company, the B. F. Goodrich Company, the Victor Rubber Company, corporations existing under the laws of the state of Ohio; the India Rubber Company, International A. & V. Tire Company, Consolidated Rubber Tire Company, corporations existing under the laws of the state of New Jersey; Morgan & Wright Co., Calumet Tire Rubber Co., both corporations existing under the laws of the state of Illinois; Firestone Tire & Rubber Company, the Diamond Rubber Company, both corporations existing under the laws of the state of West Virginia; the Hartford Rubber Works Company, a corporation existing under the laws of the state of Connecticut; Kokomo Rubber Company, a corporation existing under the laws of the state of Indiana; Pennsylvania Rubber Company, a corporation existing under the laws of the state of Pennsylvania; the Manhattan Rubber Manufacturing Company, a corporation existing under the laws of the state of New York; the Sweet Tire and Rubber Company of Batavia, N. Y.; the Alden Rubber Company, of Barberton, Ohio; and the Stein Double Cushion Tire Company, of Akron, Ohio; and

Whereas, it is desired to definitely state herein the limitation of the right and license granted by the party of the first part to the party of the second part set forth in said license agreement;

Now, therefore, it is understood and agreed that the license granted by the party of the first part to the party of the second part is limited to the manufacture and sale of a quantity of tires not exceeding — in dollars and cents of the aggregate amount manufactured and sold by all the licensees of the party of the first part above enumerated.

In witness whereof, the parties hereto have executed these presents by their proper officers duly authorized thereto.

Witnesses:

(Renewed Agreement.)

This agreement, made this — day of —, 1903, by and between
the Rubber Tire Wheel Company, a corporation organized
20 under the laws of the state of Ohio, party of the first part, and
—, party of the second part,

Witnesseth as follows:

Whereas, the party of the second part has entered into a license
agreement for the term of one year with the party of the first part
under United States Letters Patent No. 554,675, granted February
18, 1896, to Arthur W. Grant, for improvement in vehicle tires;
and

Whereas, it is desired by the parties hereto to state the terms on
which said license agreement may be renewed at the expiration of
said license period;

Now, therefore, for and in consideration of the sum of one dollar
(\$1) paid by the party of the second part to the party of the first
part, and other good and valuable considerations, the receipt whereof
is hereby acknowledged and the mutual covenants existing between
the parties hereto, it is hereby agreed as follows:

1. That the party of the second part hereto may renew the said
license agreement under said Letters Patent No. 554,675 from year
to year if it so elects, on the payment to the party of the first part of
the royalty of two per cent (2 per cent) on the net selling price of
all tires made under and in accordance with said letters patent;
provided, however, that, in case any United States Circuit Court of
Appeals shall render a decision holding the said Letters Patent valid,
then and in that event the said license may be renewed upon the
royalty basis of five per cent (5 per cent) on the net selling price
of all such tires; that, so long as the party of the second part shall
be licensed to manufacture and sell under said Letters Patent, it
will keep true and accurate books of account of all such tires made,
sold and delivered by it, and render statements thereof to the party
of the first part and pay the royalty provided in its license agreement
on or before the 10th day of each calendar month for the tires sold
and delivered during the month preceding; that such books of account
shall be open at all times during the business hours to the
party of the first part.

2. So long as the party of the second part shall be licensed to
manufacture and sell tires made under and in accordance with said
Letters Patent, the party of the first part will abstain from asserting
or prosecuting any claim which — may have for profits or damages
by reason of alleged past infringement, and if such party of the
second part shall faithfully keep the license agreement with the
party of the first part up to the expiration of said Letters Patent,

21 then and in that event the party of the first part will forever
waive any and all claims for profits or damages which it may
now have against the party of the second part by reason of
any alleged past infringement.

In witness whereof, the parties hereto have executed these presents by their proper officers duly authorized thereto.

Witnesses:

(Licensees' Agreement.)

This agreement, made this 28th day of August, 1903, by and between the Rubber Tire Wheel Company, a corporation organized under the laws of the state of Ohio, party of the first part, and the Goodyear Tire & Rubber Company, the B. F. Goodrich Company, the Victor Rubber Company, corporations existing under the laws of the state of Ohio; the India Rubber Company, International A. & V. Tire Company, Consolidated Rubber Tire Company, corporations existing under the laws of the state of New Jersey; Morgan & Wright Company, Calumet Tire Rubber Company, both corporations existing under the laws of the state of Illinois; Firestone Tire & Rubber Company, the Diamond Rubber Company, both corporations existing under the laws of the state of West Virginia; the Hartford Rubber Works Company, a corporation existing under the laws of the state of Connecticut; Kokomo Rubber Company, a corporation existing under the laws of the state of Indiana; Pennsylvania Rubber Company, a corporation existing under the laws of the state of Pennsylvania; the Manhattan Rubber Manufacturing Company, a corporation existing under the laws of the state of New York; the Sweet Tire and Rubber Company, of Batavia, N. Y.; the Alden Rubber Company, of Barberton, Ohio; and the Stein Double Cushion Tire Company, of Akron, Ohio, parties of the second part,

Witnesseth as follows:

Whereas, all the parties of the second part hereto have been licensed by the party of the first part to manufacture and sell tires made under and in accordance with Letters Patent No. 554,675, dated February 18, 1896, which Letters Patent are owned by the party of the first part; and

Whereas, it is desired of all the parties hereto that the right and license to manufacture vehicle tires under said Letters Patent granted by the party of the first part shall be exercised to the extent set forth in said license agreements hereto annexed, upon uniform terms and conditions and that the operations of all of said parties of the second part shall be supervised to the said desired end by an impartial administration:

Now, therefore, for and in consideration of the sum of one dollar (\$1) paid by each of the parties of the second part to the party of the first part, and other good and valuable considerations, the receipt whereof is hereby acknowledged, and the mutual covenants herein contained, the parties hereto agree as follows:

1. Each and all of the parties of the second part agrees that in case it shall sell and deliver in any month an amount in dollars and

cents over its quota designated in the agreement hereto annexed it will pay to the party of the first part in addition to the regular royalty of 4 per cent of the net selling price specified in the license agreement the additional royalty of 20 per cent on the amount over its said quota.

2. It is hereby agreed that in case any of the parties of the second part shall in any month sell and deliver an amount in dollars and cents less than the quota provided in the agreement hereto annexed, it shall receive as hereinafter provided, a sum equal to 20 per cent on the amount it may be short of its designated quota.

3. Each of the parties of the second part hereto agrees that it will manufacture the vehicle tire herein referred to in two qualities only, a first quality and a second quality, branded by distinguishing marks which shall be filed with the commission hereinafter provided; that the first quality shall be sold at a minimum price of 65 cents per pound and the second quality at a minimum price of 55 cents per pound, terms to be thirty days from date of shipment, less 2 per cent off for cash within ten days from date of shipment, freight to be prepaid or allowed to all points of delivery; that nothing in the way of rebates or counter-considerations of any kind, other than herein provided, shall be given to any of its purchasers; and that no consignments shall be made except to its bona fide branches.

4. The party of the first part hereby agrees that it will employ a Commission of five persons to be designated by the parties of the second part hereto, which commission shall have the supervision of all the relations and transactions between all the parties hereto under this agreement. But it is understood that in any case where a member of said commission or his company shall be directly interested in any question to be decided by said commission; such member may be disqualified and a temporary member appointed in his place if desired and by a majority of the remaining members.

5. The party of the first part hereby agrees that immediately on receipt it will pay over to said commission the entire amount of royalties paid to it by the parties of the second part, less one-half of that portion paid at the rate of four per cent of the net selling price, which it shall retain for itself.

23 6. It is agreed by and between all the parties hereto that the entire amount of royalties so paid over to the commission, as immediately hereinbefore provided, shall be administered by said commission:

(a) To pay the expense of said commission, which shall include fee of \$20 for each member attending meetings, said expenses, however, to be limited to a total of \$1,500 per annum.

(b) To pay an auditor or supervisor, whose duty it shall be to supervise all the acts of the parties hereto under this agreement and to audit the books of all the parties of the second part.

(c) To pay over to any of the parties of the second part, on or before the last day of each month, a sum or sums of money to which such parties of the second part may be entitled to on account of having sold during the preceding month an amount of tires in dollars and cents less than its quota.

(d) To distribute among the licensees who have strictly kept faith (and in this matter the decision of the commission shall be final) the balance of funds in its possession exceeding the sum of \$50,000 paying to each such licensee hereunder an amount proportionate to its quota, settlement to be made on or before the last day of each month for the month preceding; but it is understood and agreed that nothing in this agreement shall be construed as obligating the party of the first part to pay any sum of money to any of the parties of the second part, and in case the funds in possession of the commission over and above the amount of \$50,000 shall be insufficient to carry out the provisions of this agreement, such deficit shall be borne by all the parties of the second part hereto proportionately to their quotas.

7. It is hereby understood and agreed by all the parties hereto, and each of the parties of the second part agrees for itself, that in case it shall sell any tires at prices less than the prices herein specified, it shall forfeit its right to license rebate above provided to an amount equal to the entire amount involved. Provided, however, that it shall have the right to fill existing contracts according to their terms, in which event copies of such contracts shall be filed with the commission immediately upon the execution of this agreement, such deliveries however to constitute part of its quota.

8. It is understood and agreed, however, that before any payments shall be made to any of the licensees hereunder by the commission as hereinbefore provided, said commission shall accumulate a fund of \$50,000 which fund shall be maintained until the expiration of this agreement, when the entire fund shall be distributed amongst the licensees pro rated on amount paid in except as otherwise herein provided.

9. All the parties hereto agree that all contracts and books of account shall be open to the inspection of the auditor or supervisor employed by the commission at any and all times during business hours.

10. It is understood and agreed that the commission shall have power, upon the written consent of a majority of the parties in interest hereto, to purchase tires from any or all of the parties hereto at the prices hereinbefore provided, and to dispose of such tires to the trade at such prices as said commission shall deem to the interest of all the parties hereto, and in making such purchases the commission is hereby authorized to use any money in its possession.

11. It is understood that this agreement shall continue in force only during the license period of one year provided for in the license agreement.

12. It is understood and agreed by and between all the parties that the commission of five persons hereinbefore provided for shall have power to decide any and all questions arising between any of the parties hereto and that the decision of the majority of said commission shall be final, and each and all of the parties hereto agrees to abide by any finding and perform any order which may be made by said commission upon any question affecting it.

13. It is hereby understood and agreed that tires shipped and

used out of the United States shall in no way come under this agreement, except that they shall be reported to the commission every month as provided with respect to tires sold in the United States.

In witness whereof, the parties hereto have executed these presents by their proper officers duly authorized thereto.

Affidavit of F. A. Seiberling.

And to-wit: On the 9th day of September, A. D. 1908, there was filed in the Clerk's Office of the Court aforesaid, a certain Affidavit of F. A. Seiberling, in this cause, which said Affidavit of F. A. Seiberling is clothed in the words and figures following, to-wit:

United States Circuit Court, Southern District of Ohio, Western Division.

25 In Equity. No. 6280.

THE GOODYEAR TIRE & RUBBER COMPANY

vs.

THE RUBBER TIRE WHEEL COMPANY et al.

Affidavit of F. A. Seiberling.

STATE OF OHIO,
County of Summit, ss:

I, F. A. Seiberling, being duly sworn, depose and say that I reside at Akron, Ohio, and am president of The Goodyear Tire & Rubber Company, complainant herein; that it came to my knowledge for the first time on or about July 30th, 1908, that the defendants herein had sued a customer of this complainant, namely, John Doherty, residing in Yonkers, New York, for alleged infringement of the Grant patent 554,675; that said suit had been brought in the United States Circuit Court for the Southern District of New York in July, 1908, and that an ex parte order was obtained on July 24th, 1908, requiring our said customer, John Doherty, to show cause why he should not be enjoined from his alleged infringement of said Grant patent; that our counsel was then away, but was communicated with as soon as practicable, with the result that the hearing of the motion of these defendants to enjoin said Doherty has been set, as I am now advised, for September 15th, 1908, in New York.

I further say that said Doherty has been a customer of complainant herein since December, 1907, and has bought from this complainant rubber tires manufactured at its factory in Akron, Ohio, of the same kind as involved in the original suit between this complainant and these defendants, wherein the said Grant patent was held to be null and void by the Circuit Court of Appeals for the Sixth Circuit; that the rubber tires so far sold by this company to said Doherty

consisted of the tires proper, that is to say, the rubber tires themselves, said Doherty not having as yet ordered from this Company any channel irons or wires to be sent to him by or through this company, having so far confined his orders to the principal feature of the tire equipment, namely, the rubber tires themselves.

That said action by defendants against our said customer has constituted, and is now constituting an interference with and an obstruction to our trade in said rubber tires, which trade we have been pursuing under the rights acquired by said decree; that if defendants are allowed to proceed with said action they will not only drive off this customer, but will intimidate others; and if they succeed in en-

26 joining said Doherty, they will use the same as a precedent under which to attack numberless others of the customers of

The Goodyear Tire & Rubber Company; and further, that I believe defendants have so intimidated said Doherty, or have so colluded with him as to induce him to aid and abet them in their said action against him for purposes of procuring an unlawful precedent to use in further intimidating and suing other customers of this complainant, and as evidence, so far obtainable, of said intimidation or collusion with said Doherty, I attach hereto a copy of the affidavit complainants have induced said Doherty to give them and which they have filed in their said suit against said Doherty. From this affidavit of Doherty it will be seen that he has come to their aid in making up a case against him, but which in fact is a covert attack upon the manufacture and sale of said rubber tires by The Goodyear Tire & Rubber Company. From Doherty's affidavit and that of Edmund S. Roberts it is shown that Doherty let defendants herein have a rubber tire of the Goodyear make. Doherty says in his affidavit he "recognizes the infringing tire in this suit marked Complainant's Exhibit, Defendant's Rubber Tire" and Roberts says "I have recently examined the tire in this suit which was obtained from John Doherty about June 11th, 1908." Roberts says he resides in Yonkers and for eight years has been connected with the Consolidated Rubber Tire Company and has been the manager for five years of this latter Company's branch. This affidavit of Roberts forms a part of the moving papers filed by the defendants herein in their said suit against Doherty. I respectfully show this Court that from my information and from these two affidavits that Roberts is a neighbor of Doherty and arranged with him to become a nominal defendant in said action in New York for purposes of getting a precedent to use against other companies of The Goodyear Tire & Rubber Company. I have stated herein all the material parts of the Roberts affidavit which bear upon the apparent arrangement with Doherty.

I make this affidavit in support of the accompanying motion to restrain the defendants herein from proceeding further with this suit against said Doherty pursuant to the averments and prayers of the bill herein.

F. A. SEIBERLING.

Sworn to and subscribed before me, a Notary Public in and for Summit County, Ohio, this 5th day of September, 1908.

[SEAL.]

GEO. W. ROGERS,

Notary Public, Summit County, Ohio.

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Restraining Order.

And to-wit: On the 9th day of September, A. D. 1908, there was filed in the Clerk's Office of said Court, a certain Restraining Order in this cause, which said Restraining Order is clothed in the words and figures following, to-wit:

United States Circuit Court, Southern District of Ohio, Western Division.

No. 6280. In Equity.

THE GOODYEAR TIRE & RUBBER COMPANY

vs.

THE RUBBER TIRE WHEEL COMPANY and CONSOLIDATED RUBBER TIRE COMPANY.

Restraining Order.

On the presentation of the bill of complaint herein and the affidavit of F. A. Seiberling dated September 9, 1908, the Court makes the following order:

(1) That the defendants herein, and each of them, be and are hereby restrained, until the further order of the Court, from prosecuting, bringing to any hearing or proceeding further in any wise with their suit lately filed in the United States Circuit Court for the Southern District of New York against John Doherty, for alleged infringement of the Grant patent 554,675, it now appearing that said John Doherty is a customer of The Goodyear Tire & Rubber Company and has been buying and reselling the rubber tires manufactured by that company at Akron, Ohio; and that this restraining order shall operate also to prevent said defendants, and each of them, from bringing or prosecuting any other suit or suits against any other customer or customers in the United States of complainant herein until the further order of the Court.

(2) That said defendants herein are given until the 19 day of Sept. 1908, to show cause why this restraining order should not be continued in force in the form of an injunction pendente lite pending the final hearing of this cause.

(3) That complainant herein is given until the 25 day of Sept. 1908, within which to file rebutting affidavits in response to the showing to be so made by the defendants.

(4) That the day of hearing for the motion for the injunction pendente lite will be Sept. 29, 1908.

(5) That service hereof be made by serving a copy of this order and of the accompanying affidavit of F. A. Seiberling on the solicitors for defendants within this district.

J. E. SATER,
United States Judge.

September 9, 1908.

Affidavit of F. A. Seaman.

And to-wit: On the 19th day of October, A. D. 1908, there was filed in the Clerk's Office of the Court aforesaid, a certain Affidavit of F. A. Seaman, in this cause, which said affidavit of F. A. Seaman is clothed in the words and figures following, to-wit:

United States Circuit Court, Southern District of Ohio, Western Division.

In Equity. No. 6280.

THE GOODYEAR TIRE & RUBBER COMPANY, Complainant,
vs.
THE RUBBER TIRE WHEEL COMPANY and CONSOLIDATED RUBBER
TIRE COMPANY, Defendants.

Affidavit of F. A. Seaman.

F. A. Seaman being duly sworn says that he is of mature age and resides at Madison N. J., that he is the Secretary of The Consolidated Rubber Tire Company, one of the Defendants herein; and that the Rutherford Rubber Company, having a place of business at 253 West 47th Street, New York City, and the B. F. Goodrich Company, having a place of business at 1625 Broadway, New York City, have not been and are not now licensees under United States Letters patent of Grant No. 554,675.

F. A. SEAMAN.

Sworn to before me this 17th day of September, 1908.

[SEAL.]

EMMETT R. SCHRYVER,
Notary Public in and for the County of
New York, State of New York.

Amended Answer.

And, to-wit: on the 2nd day of November, A. D., 1908, came the defendants by their solicitors and filed in the clerk's office of the court aforesaid, a certain amended answer in this cause, which said amended answer is clothed in the words and figures following, to-wit:

In the United States Circuit Court, Southern District of Ohio,
Western Division.

In Equity. No. 6280.

THE GOODYEAR TIRE & RUBBER COMPANY, Complainant,
vs.
THE RUBBER TIRE WHEEL COMPANY and CONSOLIDATED RUBBER
TIRE COMPANY, Defendants.

Amended Answer.

The Answer of The Rubber Tire Wheel Company and Consolidated Rubber Tire Company to the Bill of Complaint of The Goodyear Tire & Rubber Tire Company.

29 The defendants now, and at all times, saving and reserving unto themselves all benefit and advantage of exception which can or may be had or taken to the errors or uncertainties or other imperfections in said bill of complaint contained, for answer thereto or unto so much or such parts as said defendants are advised is or are material for them to answer unto, say as follows:

The defendants admit that the Rubber Tire Wheel Company is a corporation organized and existing under the laws of the state of Ohio, and is a citizen of said state and inhabitant of the Southern District of Ohio, Western Division, and has an office at Springfield, Ohio, and that Consolidated Rubber Tire Company is a corporation organized and existing under the laws of the state of New Jersey and is a citizen and inhabitant of said state, and has offices and places of business at Cincinnati and Akron in said state of Ohio.

The defendants further answering admit that they brought suit against said complainant for infringement of letters patent No. 554,675, dated February 18, 1896, and that said patent was held to be null and void by the U. S. Circuit Court of Appeals for the Sixth Circuit, and the bill of complaint against the said complainant herein dismissed, as set forth in the bill of complaint herein.

The defendants further answering admits that they brought suit against the Banner Buggy Company and Russell E. Gardner, of St. Louis, Mo., for infringement of said letters patent No. 554,675, but deny that said suit was brought against the said Banner Buggy Company and Russell E. Gardner, as customers of the complainant herein, or for infringement of any rubber tire manufactured and sold by said complainant herein to the said Banner Buggy Company and Russell E. Gardner; and they deny that the said suit against the Banner Buggy Company and Russell E. Gardner is an unlawful interference with the complainant's trade with said parties or will create an irreparable loss to said complainant or is a menace to its trade with others. On the contrary the defendants aver that the said suit against the Banner Buggy Company and Russell E. Gardner was for infringement for the use by them of a

rubber tire made by the Stein Double Tire Cushion Company of Akron, Ohio; which concern is no way connected with the said complainant herein.

The defendants further answering state that since the decision of the U. S. Circuit Court of Appeals for the Sixth Circuit, dismissing the bill of complaint against the complainant herein, the said patent

No. 554,675 has been sustained and held to be infringed by 30 the U. S. Circuit Court of Appeals for the Second Circuit;

that in February, 1905, the defendants herein brought suit in the Circuit Court of the United States for the Southern District of New York against the Firestone Tire & Rubber Company for infringement and violation of their rights of the defendants under said letters patent; that said Firestone Tire & Rubber Company defended said suit and therein denied the validity of said patent, and also the infringement thereof, and denied the title of complainants (defendants herein) to said letters patent, and said cause came on to be heard upon pleadings and proofs before Hon. James P. Platt, District Judge, May 21st, 1906, and was argued by counsel for the respective parties, and on August 20th, 1906, said Circuit Court ordered a decree for these defendants, adjudging said patent and both claims thereof to be valid, and that these defendants were the owners thereof, and that said Firestone Tire & Rubber Company infringed the same, and decreed an accounting for profits and damages. From said decree said Firestone Tire & Rubber Company appealed to the United States Circuit Court of Appeals for the Second Circuit, and said appeal came on to be heard upon the pleadings and proofs January 7th, 1907, before Judges Lacombe, Townsend and Coxe, and was then argued upon the pleadings and proofs and on February 1st, 1907, said Circuit Court of Appeals ordered a decree for defendants herein, affirming the decree of said Circuit Court and affirming the validity of said letters patent No. 554,675, and both claims thereof, and adjudging the same to be infringed by the Firestone Tire & Rubber Company.

Defendants further answering deny that they, or either of them, have threatened the Goodyear Tire & Rubber Company or its customers with suit on the said *grand* patent, or that the defendants have had any notice or information of any kind that the Banner Buggy Company or Russell E. Gardner were customers of complainant, but defendants do know and aver the fact to be that in the trade a carriage manufacturer often handles and sells different makes of rubber tires, and that the practice in trade is to purchase rubber, namely: one element of a combination of the Grant patent, from rubber companies and apply this rubber themselves by means of special machinery, or have it applied for them by some blacksmith or machine company, to channel irons furnished by the customer of said carriage company or purchased direct from some steel or rubber company, and that a large part of the rubber tire business of the carriage manufacturer is often done by applying the rubber by means of two independent retaining wires to their own make 31 of wheels and to wheels furnished them having different makes of channel irons, but all of that peculiar shaped rim

which co-operates with the two independent retaining wires and the rubber to form the Grant patented construction; and that comparatively the smallest part of the business done by rubber companies is in furnishing the complete article, namely: the rubber tires assembled in the channel iron, for their sale or use by reason of the fact that the carriage manufacturers thereafter assemble the parts together or have them assembled together to form the rubber-tired vehicle wheel; that as a matter of fact it often happens that the carriage manufacturer applies complainant's rubber to channel irons previously furnished by the said defendant and vice versa, defendant's rubber on Goodyear channel iron, and that it is often impossible to tell from the tire itself whether the channel iron was furnished by the Goodyear Company, or the Stein Company, or some other company of the large number of competing concerns.

Defendants admit that Alvarez & Co., are an established firm in Havana, Cuba, and are dealers in carriages and saddlery, at the address stated in the bill of complaint as amended, defendants admit that said Alvarez & Co. have been buying rubber from said complainant for use in rubber tires, but aver, on information and belief that said Alvarez & Co. have been buying rubber also from various other rubber concerns and has also been buying the channel iron and wires for said rubber tires from various sources other than complainant; defendants admit that suit was bought against said Alvarez & Co. for infringement, but aver that said suit was instituted under defendant's Cuban patent covering the construction of such rubber tires, by H. F. Manning defendant's exclusive licensee.

That the laws of the Republic of Cuba provides for registration of foreign patents at Havana, Cuba, and said Republic undertakes under and by virtue of its said laws to protect the owners of registered patents against all violations or infringements thereof. That said Cuban patent to Grant was a valid and existing grant recognized by said Republic of Cuba and same was being enforced as a Cuban patent.

Defendants further answering say that they are not informed as to whether or not the complainant has by a large or any expenditure of money and effort, built up an extensive and profitable business in solid rubber tires for vehicles and therefore deny the same; that they are not informed as to whether or not any of complainant's customers are withholding the sending in of orders to

32 the complainant on account of any alleged acts of the defendants and therefore deny the same; they are not informed as to whether or not the complainant has been compelled to offer indemnifying bonds and guarantees to its customers and buyers generally; by reason of any alleged threats of suits or suit brought by defendants against them, and therefore denies the same; and defendants further deny that the complainant has suffered any loss or injury to its business in rubber tires by reason of any acts of these defendants.

Wherefore these defendants, having fully answered to the said bill of complaint in so far as they are advised the same is material and necessary to be answered unto, deny that the said plaintiff is

entitled to the relief or any part thereof in the said bill of complaint demanded, or any relief whatsoever; pray the same advantage of their aforesaid answer as if they had pleaded and demurred to said bill of complaint, and pray to be hence dismissed with their reasonable charges in this behalf most wrongfully sustained.

THE RUBBER TIRE WHEEL CO.
CONSOLIDATED RUBBER TIRE CO.

PAUL A. STALEY,
BORDER BOWMAN,
Of Counsel.

Affidavit of George M. Stadelman.

And to-wit: on the 19th day of November, A. D., 1908, there was filed in the clerk's office of the court aforesaid a certain affidavit of George M. Stadelman, in this cause, which said affidavit of George M. Stadelman is clothed in the words and figures following, to-wit:

United States Circuit Court, Northern District of Ohio, Western Division.

In Equity. No. 6280.

THE GOODYEAR TIRE & RUBBER COMPANY
vs.
THE RUBBER TIRE WHEEL COMPANY et al.

Affidavit of George M. Stadelman.

STATE OF NEW YORK,
County of New York, ss:

I, George M. Stadelman, being duly sworn, depose and say that I reside in Akron, Ohio, and that in company with Charles Measure, manager of the New York office of the Goodyear Tire & Rubber Company, I called upon John Doherty at his place of business, 300 West Forty-eighth street, New York City. Said Doherty admitted to me that he was the same John Doherty recently sued by
33 the defendants herein for alleged infringement of the Grant Rubber Tire Patent, because of his purchase and sale of the Goodyear Tire & Rubber Company's tires made at that company's factory at Akron, Ohio.

The said John Doherty told Mr. Measure and me that prior to May 28th, 1908, a man unknown to him called at his shop at the above address and told him that he wished him to equip with rubber tire a carriage wheel he, the said caller, had brought to the said shop. The said caller informed the said Doherty that the said

wheel must be equipped with Goodyear Wing tire made by the Goodyear Tire & Rubber Company. Thereupon the said Doherty purchased certain tire of that description from the New York office of the Goodyear Tire & Rubber Company.

The said Doherty informed me that he knew well Mr. Roberts, the New York manager of the Consolidated Rubber Tire Company and that just before he began to fit the said rubber to the said wheel, the said Roberts directed the said Doherty to buy the necessary wire and channel therefor but under no circumstances to buy it from the said Goodyear Tire & Rubber Company. Roberts expressly directed that it must be bought from some concern other than the said the Goodyear Tire & Rubber Company. Thereupon the said Doherty purchased the said wire from the B. F. Goodrich Company and the said channel from the Rutherford Rubber Company.

The said Doherty further told me that when he was in his shop fitting the said rubber to the said wheel, the said Roberts called and asked him (Doherty) to place a mark on the said tire, so that he (Doherty) could readily identify the said tire when called as a witness in court; thereupon the said Doherty made a mark for identification as requested.

The said Doherty further told me that the said Manager Roberts informed him that the bill for his services should be sent to the Consolidated Rubber Tire Company. This bill was for the time Doherty had spent in the interviews with the said Roberts and in making the said purchases, and also included the expense to which he had been put. The highest charge the said Doherty ever had made for similar work, including a commission for the one bringing the customer, had been \$16.00, but the usual charge which he made for such work was much less than \$16.00. He stated that knowing that the work was done in connection with a law suit, he made an extra charge, as he thought that he could easily get that amount. As requested the said Doherty sent the said Consolidated Rubber Tire Company a bill for \$20.00 "for services rendered." A short time thereafter the said Doherty received a notice from the Consolidated Rubber Tire Company to the effect that they had credited the said Doherty on his account with the amount of the said bill, namely \$20.00. In support of his statement the said Doherty showed me a statement from the Consolidated Rubber Tire Company on their bill head made out to the said Doherty, on which the said Doherty was credited with \$20.00 under date of October 16th, 1908.

[SEAL.]

GEORGE M. STADELMAN.

Subscribed and sworn to before me a notary public, New York county, New York state, this 9th day of November, 1908:

PLINY W. WILLIAMS,
Notary Public, New York.

Affidavit of F. A. Seiberling.

And to-wit: on the 19th day of November, A. D., 1908, there was filed in the clerk's office of the court aforesaid, a certain affidavit of F. A. Seiberling, in this cause, which said affidavit of F. A. Seiberling is clothed in the words and figures following, to-wit:

United States Circuit Court, Southern District of Ohio, Western Division.

In Equity. No. 6280.

THE GOODYEAR TIRE & RUBBER COMPANY.

VS.

THE RUBBER TIRE WHEEL COMPANY et al.

Affidavit of F. A. Seiberling.

STATE OF OHIO,

County of Summit, ss:

I, Frank A. Seiberling, being duly sworn, depose and say that I am president of the complainant company herein; that as to the affidavit of Mr. F. A. Seaman of October 17th, 1908, in which he introduces a copy of an agreement, which operated for about a year, between August, 1903, and August, 1904, I would state as an explanatory, that just prior to these agreements the prices of rubber tires, by reason of the number of manufacturers engaged in making such tires, in competition, had become so low that it was almost impossible to make a fair return on the investment of the different companies; that those who had defeated the Grant patent, as well as those who had not been sued, were anxious to make some arrangement to overcome that condition as to prices, and that the patent, while good as to some of the companies, was unavailing as
 35 to them for licenses with a price agreement, unless those who had defeated the patent would enter into the agreements also. Accordingly this company became a party to the association and license arrangements covered by said agreements, with the express stipulations contained in the agreements that no rights previously acquired should be prejudiced, and that the legal status of the company should remain unaffected in every respect. These reservations are in the following clauses, taken from said contracts:

"III. It is hereby mutually agreed by and between the parties hereto that this license agreement shall in no way prejudice either of the parties thereto, but that the legal status of the parties existing prior to the execution of this agreement shall remain unaffected by this agreement in every respect."

The license agreement also contained the following acknowledgment by the licensor, one of the defendants herein, of the decree of the Circuit Court of Appeals for the Sixth Circuit, finding the Grant patent void, namely:

"And the party of the first part hereby agrees that during the existence of this agreement it will vigorously prosecute any and all *infringers* of said letters patent, except such as may be committed in the Sixth Circuit of the United States Circuit Court of Appeals.

I further say that the custom pursued with said John Doherty is exactly the same pursued with the other United States customers of this company before, during and since the former suit between this company and the defendants herein, resulting in the decree of May 6th, 1902; it being also true that the customers of all the rubber tire companies buy some of their wire and channel iron from outside dealers in these articles.

FRANK A. SEIBERLING.

Sworn to and subscribed before me, a notary public in and for Summit county, Ohio, this 3rd day of November, 1908.

[SEAL.]

GEO. W. ROGERS,
Notary Public, Summit County, Ohio.

Affidavit of Charles Measure.

And, to-wit: on the 19th day of November, A. D., 1908, there was filed in the clerk's office of the court aforesaid, certain affidavits of Charles Measure, which said affidavits of Charles Measure are clothed in the words and figures following, to-wit:

36 United States Circuit Court, Southern District of Ohio,
Western Division.

In Equity. No. 6280.

THE GOODYEAR TIRE & RUBBER COMPANY

VS.

THE RUBBER TIRE WHEEL COMPANY et al.

Affidavit of Charles Measure.

STATE AND COUNTY OF NEW YORK, ss:

I, Charles Measure, being duly sworn, depose and say that I reside in the city of New York and am manager of the New York branch office of the Goodyear Tire & Rubber Company and am familiar with the trade and customers of said company in this vicinity. I personally know John Doherty, whose place of business is at 300 W. 48th street, New York City. He is the customer of the Goodyear Tire & Rubber Company who was sued by the defendants in this case in the United States Circuit Court for the Southern District of New York, for alleged infringement of the Grant rubber tire patent, 554,675. I have had occasion to go to his said place of business and, learned that in a small way that he is in the business of applying rubber tires to vehicle wheels, sometimes new channel

irons to the wheels and then the tires in the channel irons, and sometimes he only applies new tires to old channel irons already on the wheels. He has a small room in the basement of the above address and has no machinery except a machine furnished him by the Consolidated Rubber Tire Company for applying the rubber to the channel irons, that is, a machine such as that company supplies to its customers for use in securing the strips of rubber in the channel iron, by drawing the wires tight and uniting their ends. He has no means of applying new channel irons to wheels, but usually goes to a nearby rubber company known as the Rutherford Rubber Company, at 253 W. 47th street, to have that done. In fact, his business is so small that he carries but little, if any, rubber at a time and usually purchases rubber as he needs it, having from time to time made such purchases from the Goodyear Tire & Rubber Company.

And further affiant saith not.

CHARLES MEASURE.

37 Sworn to and subscribed before me, a notary public in and for New York county, New York, this 2nd day of November, 1908.

[SEAL.]

PLINY W. WILLIAMSON,
Notary Public, New York County, New York.

Affidavit of Charles Measure.

United States Circuit Court, Southern District of Ohio, Western Division.

No. 6280. In Equity.

THE GOODYEAR TIRE & RUBBER COMPANY
VS.
THE RUBBER TIRE WHEEL COMPANY et al.

Affidavit of Charles Measure.

STATE OF NEW YORK,
County of New York, ss:

I, Charles Measure, being duly sworn, depose and say that I reside in the City of New York, and am manager of the New York Branch Office of The Goodyear Tire & Rubber Company, complainant herein. I personally know John Doherty, whose place of business is at 300 West 48th Street, New York City: to-day I called upon the said John Doherty at his said place of business, and sold to him some pieces of wing Rubber made by The Goodyear Tire & Rubber Company, and some pieces of soft wire, used to fit the said Rubber to Carriage or Buggy Wheels. The said purchase amounted in all to Fifteen Dollars and Sixty-five Cents (\$15.65), and the exact quan-

tity of the goods sold is more particularly shown by the annexed copy of invoice of the said goods, which is hereto attached, and made a part hereof and which is a carbon copy of the original invoice delivered to the said John Doherty and is an exact description of the said goods sold to him.

CHARLES MEASURE.

Sworn to and subscribed before me, a Notary Public in and for New York County, New York, this third day of November, 1908.

[SEAL.]

PLINY W. WILLIAMSON,
Notary Public, New York County, New York.

Claims for Damages or Shortage must be made on receipt of Goods.

The Goodyear Rubber Tire Co. of New York.

Terms: 30 Days Net.

Discount of 2 per cent. allowed.

No. —.

Branch.

New York.

E-111608.

Dept. No. 4.

If paid by — John Doherty.

Via — 300 West 46th St.

N. Y. City.

38 The above terms are abrogated and this invoice becomes due and payable on demand, at option of The Goodyear Tire & Rubber Co., should any suit be instituted or credit of payor become impaired from any cause whatever.

Our Order No. —. F. O. No. —. Your Order No. —.

Quantity.	Size.	Weight.	Article.	Price.	Total.
4 Pcs.	1½ in.	43	Wing Rubber	.35	15.05
12 Pcs.	No. 9	12	Soft Wire	.05	.60
					<hr/> 15.65

Send all remittances to Akron Ohio, in New York, Chicago or St. Louis Exchange.

Subject to sight draft on third day after due, with exchange without further notice. Positively no cash discount allowed after date stated.

United States Circuit Court, Northern District of Ohio, Western Division.

In Equity. No. 6280.

THE GOODYEAR TIRE & RUBBER COMPANY

VS.

THE RUBBER TIRE WHEEL COMPANY et al.

Affidavit of Charles Measure.

STATE OF NEW YORK,

County of New York, ss:

I, Charles Measure, being duly sworn depose and say that I reside in the City of New York, and that I am Manager of the New York Office of The Goodyear Tire & Rubber Company. I am personally acquainted with John Doherty, recently sued by the defendants herein for alleged infringement of the Grant Rubber Tire Patent 554,675, because of his purchase and sale of The Goodyear Tire & Rubber Company's tires, made at that Company's factory at Akron, Ohio.

On May 23th, 1908, our New York Agency sold to the said Doherty a bill of goods consisting of 13 feet 3 inches of Wing rubber of the kind which is used as rubber tire for a carriage or buggy wheel. Today Mr. George M. Stadelman and I called upon the said Doherty and talked to him concerning the said transaction; I also talked to him on November 2nd, 1908. On each occasion he informed me that just before he purchased the said rubber a man unknown to him called at his shop and told him that he wished

him to equip with rubber tire a carriage wheel he, the said customer, had brought to the said shop. The said customer informed the said Doherty that he must have a Goodyear Wing tire made by The Goodyear Tire & Rubber Company. Thereupon the said Doherty made the said purchase as aforesaid. Before he commenced to fit or apply the said tire to the said wheel the New York Manager of The Consolidated Rubber Tire Company, Mr. Roberts, who was well known to the said Doherty, called on the said Doherty and directed the said Doherty to buy the necessary wire and channel to fit the said tire to wheel, but he, Roberts, the said Manager of the Consolidated Rubber Tire Company, clearly and explicitly directed the said Doherty not to purchase the said wire and the said channel from the said Goodyear Tire & Rubber Company, or from any of its agents or branches, but from any other concern; that thereupon the said Doherty purchased the said wire from the B. F. Goodrich Company and the said channel from The Rutherford Rubber Company.

The said Doherty further told me that thereafter when he was engaged in his said shop in fitting the said tire, Mr. Roberts, said Manager for the Consolidated Rubber Tire Company called at his said shop and asked the said Doherty to place a mark on the said

tire, so that he the said Doherty could readily identify the said tire when called as a witness in Court, and that thereupon the said Doherty made a mark for identification as requested. Thereafter the said Doherty sent a bill to the said Manager, Mr. Roberts, for \$20.00, which he, the said Doherty, was authorized to charge the said Consolidated Rubber Tire Company for his time and services in carrying out the said instructions of the said Manager as above set forth and in holding the said interviews with the said representatives of the Consolidated Rubber Tire Company. The said Bill for \$20.00 also included his expenses amounting to \$13.00. The said Doherty stated to me that a short time thereafter he received a notice from the Consolidated Rubber Tire Company stating that they had credited the said Doherty with the amount of the said Bill, namely, \$20.00 on account of the said Doherty which he owed the said Consolidated Rubber Tire Company, and in fact I personally saw a written statement issued by the said Consolidated Rubber Tire Company on which the said \$20.00 appeared as a credit on account of said Doherty under date of October 16th, 1908.

CHARLES MEASURE.

40 Subscribed and sworn to before me a Notary Public, New York County, New York State, this 9th day of November, 1908.

[SEAL.]

PLINY W. WILLIAMSON,
Notary Public, New York.

Memo.

And on the 11th day of October, A. D., 1909, there was filed in the Clerk's Office of said Court, in said Cause, a certain memo. of Judge Sater, clothed in words and figures following, to-wit:—

In the Circuit Court of the United States, Southern District of Ohio,
Western Division.

In Equity. No. 6280.

THE GOODYEAR TIRE & RUBBER COMPANY, Complainant,

vs.

THE RUBBER TIRE WHEEL COMPANY, Defendants.

On Application for Temporary Injunction Pendente Lite.

SATER, District Judge:

This case is before me on an application for a temporary injunction pendente lite and is one of first impression. And examination of the facts on which the opinion in *Kessler vs. Eldred*, 206, U. S., 285, was based, and on the facts involved in the present case, will be serviceable in reaching a conclusion.

The prior litigation of which Kessler vs. Eldred was the outgrowth, discloses that Eldred began a suit in the Circuit Court in the District of Indiana, for infringement of the Chambers patent. The decree having gone against him, he appealed to the Circuit Court of Appeals of the Seventh Circuit, where again, the judgment was adverse to him. Eldred vs. Kessler, 106 Fed. Rep., 509. The decree of that Court still remains in full force. The Chambers patent was not found void. The invention was held to be valid but not of a primary character. The letters patent and the claims therein set out were given a narrow construction and were held to be limited by the prior art to mere improvements on prior devices which accomplished the same general result. It is to be noted that the Chambers patent was not held void. Subsequently Eldred brought a suit in the Northern District of New York, against a vendor of a device similar to that of Kessler, but not of his make. On appeal, the Circuit Court of Appeals of the Second Circuit, Eldred vs. Kirkland, 130 Fed. Rep., 342, held the Chambers patent to be infringed. Thus again was its validity established. Thereafter Eldred sued, in the Western District of New York, a

41 user of Kessler's patented device which had been held by the Circuit Court of Appeals of the Seventh Circuit not to infringe the Chambers patent, whereupon Kessler assumed the defense of his New York customer, and also brought suit in the Northern District of Illinois to enjoin Eldred from prosecuting any suit in any court of the United States against any one for alleged infringement of the Chambers patent, who might be the vendor, vendee or user of any electric cigar lighter manufactured by Kessler and identical with the one in evidence in the suit decided in favor of Kessler and against Eldred in the Circuit Court of Appeals of the Seventh Circuit. Certain interrogatories were certified to the Supreme Court, the answers to which are founded in the opinion of Mr. Justice Moody, Kessler vs. Eldred.

The Rubber Tire Wheel Company and Consolidated Rubber Company filed a suit in the Circuit Court in the Northern District of Ohio, against The Goodyear Tire & Rubber Company, claiming that the latter's patented tire and device infringed the Grant patent No. 554,675. On appeal to the Circuit Court of Appeals of this Circuit, it was held (Lurton, J.) that the Grant patent was void for want of patentable invention. Goodyear Tire & Rubber Co. vs. Rubber Tire Wheel Co., 116 Fed. Rep., 363. A petition for a writ of certiorari to review the decision of the Circuit Court of Appeals was denied. 187 U. S., 641. Attention is directed to the fact that the Grant patent was by the Appellate Court of this Circuit held void. Subsequently the Grant patent was held valid by the Circuit Court of Appeals of the Second Circuit. Consolidated Rubber Tire Co. vs. Diamond Rubber Co., 162 Fed. Rep. 892; Consolidated Rubber Tire Co. vs. Firestone Tire & Rubber Co., 151 Fed. Rep. 237. The Grant patent has been the subject of litigation in courts other than those above named, some of which have sustained the others have denied its validity.

In July, 1908, the defendants in this case, who were the com-

plainants in the original suit brought in the Northern District of Ohio, filed a bill in one of the Federal Courts sitting in New York, to restrain and enjoin one Doherty from infringing the Grant patent. Doherty is a small dealer, of small means, and has been a customer of the complainant since December, 1907. The affidavit shows him to have stated that some persons unknown to him, desiring to equip a carriage wheel with a rubber tire, directed that the tire must be of the complainant's manufacture, and Doherty thereupon purchased such a tire. Thereafter Roberts, New York manager of the Consolidated Tire Company, before the fitting of a rubber to the wheel, directed him to buy the necessary wiring

42 and steel channel of some one other than the complainant or any of its agents or branch houses. He thereupon purchased the wire of B. F. Goodrich, and the steel channel of The Rutherford Rubber Company. He says he was further directed by Roberts to mark the wheel to which he applied the tire so he could identify it, and to send his bill for services rendered to the company of which Roberts was the New York Manager. Doherty did this and credit was given him on his account by such company. The evidence is undisputed that Doherty purchased his materials as above stated and fitted them to the carriage wheel. The statements attributed to him are not denied.

The Appellate Court of this Circuit having declared the Grant patent void, each and every claim and each and every element of every claim set forth in it must be regarded as conferring no right whatever on the defendants, or either of them, as against the complainant. The Grant letters are not, in consequence of such decree, susceptible of infringement by the complainant, by its device, or by any part or parcel thereof. As against the defendants, the complainant may use its tire, or any part thereof, in such manner as it chooses, because they have no right under the Grant patent which complainant may not freely exercise. The court's decree was a withdrawal from defendants, as against complainant, of all protection and exclusive rights claimed by them under that patent, and unalterably fixed the rights of the parties to this, as well as to that, suit.

Have the defendants, by bringing suits against one of complainant's customers, violated its rights? If they may maintain one such suit, they may maintain others, and thus by harassing complainant's customers, diminish its sales, as no one will care to buy complainant's device, or any part of it, if in so doing he buys a law-suit. The complainant's right is that its customers shall not be disturbed. Its right to use its device as an entirety, or the elements thereof singly, without molestation, would be of little value if its customers may not enjoy the same privilege. If the complainant may vend, or use, the whole or any part of its patented device, as it may do as against the void patent, regardless of any claims asserted by defendants, it would seem logically to follow that the defendants may be enjoined from interfering with the business of the complainant by bringing suit based on such void patent against complainant's customers, whether the business conducted with those

customers is the vending to them of the whole of the patented tire, or some one or more of the elements which enter into it. Goodyear Tire & Rubber Co. vs. Rubber Tire Wheel Co., 164 Fed. Rep., 869. The rights of the parties, as fixed by final judgment of the Appellate Court of this Circuit, must be recognized by them in every way wherever that judgment is entitled to respect. Having the right to vend its product as an entirety, or in parts, without hindrance from defendants, it is not required to sit idly by witnessing the destruction of its trade with no recourse save an action for damages. Whether the complainant has sold this or that element of the device described in its letter patent with the intent and purpose that such element should be used in combination with other elements covered by the Grant patent, is immaterial, because as against the complainant there is no Grant patent. In view of the facts disclosed, the decisions to which this court must give heed, and the form of decree sanctioned in Consolidated Rubber Tire Co. vs. Diamond Rubber Co., 162 Fed. Rep., 892, the complainant is entitled in my judgment to a temporary injunction pendente lite, enjoining defendants from instituting and maintaining any action against Doherty or any other of complainant's customers who buy from it and handle, use or sell either its patented device as an entirety, or any of the parts of such device, whether the rubber tires, wiring, or steel channels.

An order temporarily enjoining the defendants may be taken in accordance with the foregoing.

Order.

And on the 23rd day of November, A. D., 1909, an order was made on the journal of said court, in this cause, which said order is clothed in words and figures following, to-wit:

No. 6280.

THE GOODYEAR TIRE & RUBBER COMPANY

VS.

THE RUBBER TIRE WHEEL COMPANY AND CONSOLIDATED RUBBER TIRE COMPANY.

Order for Injunction.

This cause coming on to be heard on complainant's motion for an injunction pendente lite to restrain defendants from prosecuting suits against complainant's customers and the same having been argued before the court by counsel for the respective parties, and the court having taken the same under advisement, now orders that said motion be, and is hereby, granted, and that an injunction pendente lite issue as prayed for in the bill of complaint.

44

J. E. SATER,

United States Judge.

Nov. 23, 1909.

Order.

And on the 23rd of November, A. D., 1909, an order was made on the Journal of said Court, in this cause, which said order is clothed in the words and figures following, to-wit:

No. 6280. In Equity.

THE GOODYEAR TIRE & RUBBER COMPANY

VS.

THE RUBBER TIRE WHEEL COMPANY and CONSOLIDATED RUBBER
TIRE COMPANY.

Preliminary Injunction.

This cause coming on to be heard on complainant's motion for an injunction pendente lite to restrain defendants from instituting and prosecuting suits against complainant's customers, and the court having heard counsel for both parties in argument and having duly considered said motion and all the moving papers and the record herein, orders, adjudges and decrees as follows:

(1) That the defendants, The Rubber Tire Wheel Company and the Consolidated Rubber Tire Company, and each of them, their attorneys, agents and representatives be, and are hereby, enjoined and restrained, pendente lite, from prosecuting the suit heretofore instituted by defendants against John Doherty, a customer of complainant, in the United States Circuit Court for the Southern District of New York.

(2) That defendants, The Rubber Tire Wheel Company and the Consolidated Rubber Tire Company, and each of them, their attorneys, agents and representatives be, and are hereby, likewise enjoined and restrained pendente lite from instituting, maintaining or prosecuting any action in any court of the United States, based on alleged infringement of letters patent No. 554,675, issued February 18th, 1896, to one A. W. Grant, against any person, firm or corporation for dealing in, buying, selling or using any of complainant's solid rubber tires or any of the component parts thereof.

(3) The defendants, The Rubber Tire Wheel Company and the Consolidated Rubber Tire Company, and each of them, their attorneys, agents and representatives, be, and are hereby, enjoined and restrained from interfering with the business of complainant by threatening to bring such suits based on said Grant patent against complainant's customers, whether the business conducted with those customers is the vending to them of the whole of
45 complainant's tire or some one or more of the elements which enter into it.

J. E. SATER,
United States Judge.

Nov. 23, 1909.

Petition for Appeal.

And on the 22nd day of December, A. D. 1909, there was filed in the Clerk's Office of said Court, a certain Petition for Appeal, which said Petition is clothed in words and figures following, to-wit:

United States Circuit Court, Southern District of Ohio, Western Division.

No. 6280. In Equity.

THE GOODYEAR TIRE & RUBBER COMPANY, Complainant,
VS.
THE RUBBER TIRE WHEEL COMPANY and CONSOLIDATED RUBBER
TIRE COMPANY, Defendants.

Petition for Appeal.

The above named defendants, The Rubber Tire Wheel Company and the Consolidated Rubber Tire Company, conceiving themselves aggrieved by the decree and order for preliminary injunction entered herein this 23rd day of November, 1909, hereby appeal from said decree and order to the United States Circuit Court of Appeals for the Sixth Circuit, and pray that this appeal may be allowed and that a transcript of the record and proceedings and papers upon which said decree was made, duly authenticated, may be sent to the United States Circuit Court of Appeals for the Sixth Circuit, together with such exhibits as they have been offered.

THE RUBBER TIRE WHEEL CO. ET AL.,
By STALEY & BOWMAN,
Solicitors and Counsel for Def't.

— — —,
— — —,
Of Counsel.

Assignment of Errors.

And also on the 22nd day of December, A. D., 1909, there was filed in the Clerk's Office of said Court, a certain Assignment of Errors, clothed in words and figures following, to-wit:

United States Circuit Court, Southern District of Ohio, Western Division.

46

No. 6280. In Equity.

THE GOODYEAR TIRE & RUBBER COMPANY, Complainant,

vs.

THE RUBBER TIRE WHEEL COMPANY and CONSOLIDATED RUBBER
TIRE COMPANY, Defendants.Assignment of Errors by the Defendants, The Rubber Tire Wheel
Co. and Consolidated Rubber Tire Co.

Now on the 24th day of November, 1909, came defendants, The Rubber Tire Wheel Company and Consolidated Rubber Tire Company by their solicitors and say that the decree in the above entitled cause of date November 23rd, 1909, is erroneous and against the just rights of the defendants in the following particulars:

First. The court erred in entering any preliminary injunction against these defendants or either of them since no proper showing was made to warrant such order.

Second. The Circuit Court erred in entering an injunction pendente lite restraining defendants from instituting or prosecuting any action based on infringement for the dealing in, buying, selling or using any of the component parts of complainant's tire since defendants' rights are thereby jeopardized.

Third. Said court erred in enjoining defendants against prosecuting the user or seller of any of the component parts of the Goodyear rubber tires since defendants are thereby enjoined from prosecuting suits against users or customers of other manufacturers if said users or customers have purchased any one of the elements constituting rubber tires of complainant.

Fourth. Said court erred in entering a decree against defendants from prosecuting the suit instituted against John Doherty since it appeared that the said Doherty had not purchased rubber tires of complainant, but had in fact purchased only one element of the combination of elements.

Fifth. Said Court erred in entering a decree against defendants from prosecuting the suit instituted against John Doherty since it appears that the said Doherty had purchased the channel iron and wire of other manufacturers and thereafter assembled the elements together in infringement of letters patent 554,875, owned by defendants and in violation of defendants' right.

THE RUBBER TIRE WHEEL CO. ET AL.,
STALEY & BOWMAN, Att'ys.

Entry Allowing Appeal.

10-328.

And on the 22nd day of December, A. D., 1909, an Entry was made on the Journal of said Court, in this cause, which said Entry is clothed in words and figures following, to-wit:

No. 6280.

THE GOODYEAR TIRE & RUBBER COMPANY

VS.

THE RUBBER TIRE WHEEL CO. and CONSOLIDATED TIRE CO.

This day came the defendant and presented its petition for an appeal to the United States Circuit Court of Appeals for the Sixth Circuit, and an Assignment of Errors accompanying the same, which Petition, upon consideration of the Court is hereby allowed upon the filing of a Bond in the sum of Five Hundred (\$500.00) Dollars, with good and sufficient security to be approved by the Court.

Bond.

And also on the 22nd day of December, A. D., 1909, there was filed in the clerk's office of said court, a certain bond, which said bond is clothed in the words and figures following, to-wit:

Bond.

United States Circuit Court, Southern District of Ohio, Western Division.

In Equity. No. 6280.

THE GOODYEAR TIRE & RUBBER COMPANY, Complainant,

VS.

THE RUBBER TIRE WHEEL COMPANY and CONSOLIDATED RUBBER TIRE COMPANY, Defendants.

Know all men by these presents, that we, Consolidated Rubber Tire Company, of New York City, a corporation of the state of New York, and the Rubber Tire Wheel Company, of Springfield, Ohio, a corporation of Ohio, as principals and the Bankers Surety Company of Cleveland, Ohio, as sureties, are held and firmly bound unto the complainant, the Goodyear Tire & Rubber Company, in the sum of five hundred dollars to be paid to the said the Goodyear Rubber Tire & Rubber Company, and for the payment of which well and truly to be made, we bind ourselves and each of us, our and

each of our successors, heirs, executors and administrators, jointly and severally, firmly by these presents.

48 Sealed with our seals and dated the 27th day of November, 1909.

Whereas, the above named Consolidated Rubber Tire Company and the Rubber Tire Wheel Company has prosecuted an appeal to the United States Circuit Court of Appeals for the Sixth Circuit to reverse the decree for preliminary injunction granted in the above entitled suit in the Circuit Court of the United States for the Southern District of Ohio, Western Division, in equity, on the 23rd day of November, 1909.

Now, therefore, the condition of this obligation is such that if the above named companies, Consolidated Rubber Tire Company and the Rubber Tire Wheel Company shall prosecute their said appeal to effect and answer all damages and costs if they fail to make such appeal good, then this obligation shall be void; otherwise the same shall be and remain in full force and virtue.

By — — —;

THE RUBBER TIRE WHEEL CO.,

By PAUL A. STALEY, *Vice Pres't,*
Principals.

THE BANKERS SURETY CO.,

JOS. P. GOODWIN, *Attorney,*

By OLIVER H. MILLER, *Agent,*
Sureties.

[SEAL.]

The foregoing bond is hereby approved.

J. E. SATER,
Dist. Judge, Sitting as Circuit Judge.

Præcipe for Transcript.

And on the 5th day of January, A. D., 1910, there was filed in the clerk's office of said court a certain præcipe, which said præcipe is clothed in words and figures following, to-wit:

United States Circuit Court, Southern District of Ohio, Western Division.

In Equity. No. 6280.

THE GOODYEAR TIRE & RUBBER COMPANY

vs.

THE RUBBER TIRE WHEEL COMPANY and CONSOLIDATED RUBBER
TIRE COMPANY.

Præcipe.

To the Clerk of the U. S. Circuit Court:

Please include in the transcript under the appeal in the United States Circuit Court of Appeals of the Sixth Circuit the following papers:

49 1. The amended petition filed on or about the 9th of September, 1908, and the affidavit of F. A. Seiberling, attached to said bill.

2. The affidavit of F. A. Seaman, filed October 19th, 1908, and July 7th, 1908.

3. The amended answer filed November 3rd, 1908.

4. The rebuttal affidavits on behalf of the Goodyear Co., to-wit: Seiberling, Stadelman and Measure, filed November 19th, 1908, there being three affidavits of Charles Measure, one executed November 9th, 1908.

5. The restraining order granted by Judge Sater, September 9th, 1908, and the decision of Judge Sater, October 9th, 1909, and the order for preliminary injunction and the order granting same November 23rd, 1909.

6. The original bill filed August 23rd, 1907.

7. The petition for appeal, assignment of errors and bond.

STALEY & BOWMAN,
Attorneys for Defendants.

Entry.

And afterwards, to-wit: on the 17th day of January, A. D., 1910, an entry was made on the journal of said court, in said cause, which said entry is clothed in words and figures following, to-wit:

No. 6280.

GOODYEAR TIRE AND WHEEL CO.

VS.

THE RUBBER TIRE WHEEL CO. & CONSOLIDATED RUBBER TIRE CO.

Upon motion of defendant the time for the filing of the transcript in the above entitled case is hereby extended fifteen days from the 21st day of January, 1910.

The United States Circuit Court, Southern District of Ohio, Western Division.

No. 6280.

THE GOODYEAR TIRE & RUBBER COMPANY

VS.

THE RUBBER TIRE WHEEL COMPANY and the CONSOLIDATED RUBBER TIRE COMPANY.

I, B. E. Dilley, clerk of the court aforesaid, do hereby certify that the foregoing contains all of the pleadings, exhibits and testimony ordered to be certified by Staley & Bowman, attorneys for the defendants, the Rubber Tire Wheel Company and the Consolidated Rubber Tire Company, including the affidavits submitted on the

hearing for the order of injunction which was granted the 23rd day of November, 1909, in the above entitled cause.

50 In testimony whereof, I have hereunto set my hand and
affixed the seal of said court, this 4th day of February, A. D.,
1910.

[SEAL.]

B. E. DILLEY, *Clerk*,
By HARRY F. RABE, *Deputy*.

United States Circuit Court of Appeals for the Sixth Circuit.

UNITED STATES OF AMERICA,
Sixth Judicial Circuit, ss:

To the Goodyear Tire & Rubber Company, Greeting:

You are hereby cited and admonished to be and appear at a session of the United States Circuit Court of Appeals for the Sixth Circuit, to be holden at the city of Cincinnati, in said circuit, on the* 21st day of January next, pursuant to a petition for appeal, filed in the clerk's office of the Circuit Court of the United States for the Southern District of Ohio, Western Division, wherein the Rubber Tire Wheel Company and Consolidated Rubber Tire Company are appellants and you are appellee, to show cause, if any there be, why the decree rendered against the said appellants as in the said petition for appeal mentioned, should not be corrected, and why speedy justice should not be done to the parties in that behalf.

Witness the Honorable Melville W. Fuller, Chief Justice of the United States, this 22nd day of December, in the year of our Lord one thousand nine hundred and nine, and of the Independence of the United States of America the one hundred and thirty-fourth.

J. E. SATER,
*Judge of United States District Court for
Southern District of Ohio, Sitting and
Holding United States Circuit Court.*

*Not exceeding 30 days from the day of signing.

Service hereof acknowledged this 31st day of December, 1909.

H. H. TOULMIN,
Sol. for Appellee.

No. 6230. United States Circuit Court, Southern District of Ohio, Western Division. The Goodyear Tire & Rubber Company, Appellant, vs. The Rubber Tire Wheel Company and Consolidated Rubber Tire Company, Appellees. Citation on Appeal. Staley & Bowman, Solicitor for Appellant.

50½ And afterwards, to-wit, on the 8th day of February, 1910, an appearance was filed in said cause, clothed in the words and figures, following:

United States Circuit Court of Appeals for the Sixth Circuit.

No. 2037.

THE RUBBER TIRE WHEEL Co. et al.

VS.

THE GOODYEAR TIRE & RUBBER Co.

Frank O. Loveland, Clerk of said Court:

Please enter our appearance as Counsel for the appellants.

PAUL A. STALEY.

BORDER BOWMAN.

And afterwards, to-wit, on the 7th day of October, 1910, an entry was made on the journal of said Court in said cause clothed in the words and figures, following:

United States Circuit Court of Appeals for the Sixth Circuit.

No. 2037.

THE RUBBER TIRE WHEEL Co. et al.

VS.

THE GOODYEAR TIRE — RUBBER Co.

51 This cause is argued in part by Mr. Border Bowman for the Appellant- and is continued until Monday, October 10, for further argument.

And afterwards, to-wit, on the 10th day of October, 1910, an entry was made on the journal of said Court in said cause, clothed in the words and figures following:

United States Circuit Court of Appeals for the Sixth Circuit.

No. 2037.

THE RUBBER TIRE WHEEL Co. et al.

VS.

THE GOODYEAR TIRE — RUBBER Co.

Before Severens, Warrington, and Knappen, JJ.

This cause is further argued by Mr. Border Bowman for the Appellant- and by Mr. H. A. Toulmin for the Appellee and is submitted to the Court.

And afterwards, to-wit, on the 8th day of December, 1910 a decree was filed in said cause, clothed in the words and figures following:

United States Circuit Court of Appeals for the Sixth Circuit.

No. 2037.

THE RUBBER TIRE WHEEL COMPANY and THE CONSOLIDATED
RUBBER TIRE COMPANY

vs.

THE GOODYEAR TIRE — RUBBER COMPANY.

52 Appeal from the Circuit Court of the United States for the
Southern District of Ohio.

This cause came on to be heard on the transcript of the record from the Circuit Court of the United States for the Southern District of Ohio, and was argued by counsel.

On consideration whereof, It is now here ordered, adjudged and decreed by this Court, that the decree of the said Circuit Court, in this cause be and the same is hereby affirmed with costs, subject to a modification so limiting the order of injunction as to apply only to the prosecution of the suit against John Dogherty.

And afterwards, to-wit, on the 15th day of December, 1910 an opinion was filed in said cause which is as follows:

(*Opinion.*)

53 Filed Dec. 15, 1910. Frank O. Loveland, Clerk.

United States Circuit Court of Appeals, Sixth Circuit.

No. 2037.

THE RUBBER TIRE WHEEL COMPANY and THE CONSOLIDATED RUB-
BER TIRE COMPANY, Appellants,

v.

THE GOODYEAR TIRE AND RUBBER COMPANY, Appellee.

Appeal from the Circuit Court of the United States for the Southern
District of Ohio.

Argued October 10, 1910. Decided December 6, 1910.

Before Severens, Warrington and Knappen, Circuit Judges.

This cause is here upon appeal from an interlocutory order made in the court below enjoining appellants, pendente lite, from instituting or prosecuting certain suits against customers of appellee. The suit was begun by a bill in equity of the appellee, as complainant, against the appellants as defendants. It is averred in the bill that

complainant is engaged in the business of manufacturing and selling solid rubber tires for vehicles; that in 1900 defendants sought by suit commenced in the Circuit Court of the United States for the Northern District of Ohio, to enjoin the present complainant from making and vending its tires on the ground that they embodied the elements of a certain patent issued to one Grant in 1896, No. 554,675, for rubber tired wheels, the letters patent having been acquired by the present defendants; that the suit resulted ultimately in a decision of this court holding the Grant patent to be null and

54 void and directing that the bill be dismissed; and that a petition for a writ of certiorari to this court was subsequently denied by the Supreme Court. It is further averred in the present bill that notwithstanding such adjudged nullity of the Grant patent, the defendants are seeking to enforce it against customers of complainant, some of whom are specially named in the original bill and an amendment thereto, and against whom suits have been brought; that many of its customers are being intimidated by such suits and by threats made by defendants to commence suits against others, some withholding orders for complainant's rubber tires unless indemnified by it. An injunction is prayed against defendants from so diverting and interfering with complainant's business and trade in rubber tires.

In the opinion rendered in the court below allowing the interlocutory order this statement of facts appears:

"In July, 1908, the defendants in this case, who were the complainants in the original suit brought in the Northern District of Ohio, filed a bill in one of the Federal Courts sitting in New York, to restrain and enjoin one Doherty from infringing the Grant patent. Doherty is a small dealer, of small means, and has been a customer of the complainant since December, 1907. The affidavit shows him to have stated that some persons unknown to him, desiring to equip a carriage wheel with a rubber tire, directed that the tire must be of the complainant's manufacture, and Doherty thereupon purchased such a tire. Thereafter Roberts, New York manager of the Consolidated Tire Company, before the fitting of a rubber to the wheel, directed him to buy the necessary wiring and steel channel of some one other than the complainant or any of its agents or branch houses. He thereupon purchased the wire of B. F. Goodrich, and the steel channel of The Rutherford Rubber Company. He says he was further directed by Roberts to mark the wheel to which he applied the tire so he could identify it, and to send his bill for services rendered to the company of which Roberts was the New York Manager. Doherty did this and credit was given him on his account by such company. The evidence is undisputed that Doherty purchased his materials as above stated and fitted them to the carriage wheel. The statements attributed to him are not denied."

55 By the preliminary injunction the appellants are restrained, pendente lite, from prosecuting the suit against Doherty (mentioned in the statement quoted), and also from "instituting, maintaining or prosecuting any action in any court of the United States, based on alleged infringement of letters patent No. 554,675

* * * against any person, firm or corporation for dealing in, buying, selling or using any of complainant's solid rubber tires or any of the component parts thereof"; and also "from interfering with the business of complainant by threatening to bring such suits against complainant's customers, whether the business conducted with those customers is the vending to them of the whole of complainant's tire or some one or more of the elements which enter into it."

WARRINGTON, *Circuit Judge* (after stating the facts as above):

The important question concerns appellants' suit against John Doherty, and the preliminary injunction granted in the present case against the further prosecution of that suit. One objection made is that the court below relied on affidavits containing hearsay statements. Doherty is one of appellee's customers whose names are not stated in the pleadings, but against whom as a class threats of suit are alleged to have been made by appellants. Doherty has admittedly been a customer of appellee in the purchases of rubber tires since 1907; and the facts that he purchased a solid rubber tire of appellee and placed it on a wheel and received his pay from one of the appellants as found by the court below, are not open to the charge of hearsay and are not disputed. The hearsay statements are those tending to show that one of appellants caused orders for purchases of materials by Doherty and the work done by him to be given and executed in a particular way and with a view of instituting against him the suit before mentioned. Whether hearsay statements can be considered or not on interlocutory motion (*Chase's Stephen's Dig. Ev. 2d Ed. 311, note 4*), or whether effective waiver could arise through failure as here to present any motion, objection or denial in the court below concerning such statements (*San Pedro &c. Co. v. United States, 146 U. S. 120, 137; White v. Wansey, 116 Fed. C. C. A. 6th Cir. 345, 347*) we need not decide; for, as before indicated, the facts which we regard as material were shown by direct evidence. Then in addition to the averments of a portion of the bill, which are in substance set out in the statement, it is stated among other things in the amended answer:

"* * * defendants do know and aver the fact to be that in the trade a carriage manufacturer often handles and sells different makes of rubber tires, and that the practice in trade is to purchase rubber, namely: one element of a combination of the Grant patent, from rubber companies and apply this rubber themselves by means of special machinery, or have it applied for them by some blacksmith or machine company, to channel irons furnished by the customer of said carriage company or purchased direct from some steel or rubber company, or furnished direct from some steel or rubber company, and that a large part of the rubber tire business of the carriage manufacturer is often done by applying the rubber by means of two independent retaining wires to their own make of wheels and to wheels furnished them having different makes of channel irons, but all of that peculiar shaped rim which co-operates

with the two independent retaining wires and the rubber to form the Grant patented combination; * * *

The result is that the features of the Doherty case, which consist of his purchase of the solid rubber tire from appellee, the wire from Goodrich, and the steel channel from the Rutherford Rubber Co., and of then assembling these articles in violation of the terms of the Grant patent, present one of the typical cases described in appellants' amended answer, not to speak further of the bill; and learned counsel for appellants insist that "the pivotal question in this case is whether the court in construing the Grant patent can treat any one element as more material than some other element."

We thus reach a consideration of the restraint of the interlocutory order upon appellants' prosecution of the Doherty suit. The basis of that suit is the Grant patent. As pointed out in the state-

57 ment, in a suit between the parties to the present action the Grant patent was adjudged invalid, the decision being that it was "void for want of patentable novelty." *Goodyear Rubber Co. v. Tire & Rubber W. Co.*, 116 Fed. (C. C. A. 6th Cir.), 363, 377. It was a combination patent, its first claim consisting of three elements, viz., a metallic channel rim, a solid rubber tire, and independent retaining wires passing entirely through the rubber tires horizontally (Id. 365-6). So far as the effect of the decree in that case is concerned, counsel for appellants in substance admit that if Doherty had purchased all of these elements—the rim, the tire and the wires—from appellee, complete privity between appellee and its customer would have arisen, and so have justified the preliminary injunction as to him. This of course includes the further concession on the part of counsel that one effect of the former judgment is, that where a court of equity as here has jurisdiction of appellants it may enjoin them by decree in personam from doing any acts at places beyond the jurisdiction of the court, as well as within it, which would interfere with the right of appellee to make sales of all as distinguished from part of the elements (the articles aforesaid) embraced in the patented combination. The concessions so made, as under the authorities they were bound to be, render it unnecessary to do more with respect to the history of the Grant patent than allude to the fact that the patent was held to be valid in a case to which appellee was not a party. *Consolidated Rubber Tire Co. v. Firestone T. & R. Co.*, 151 Fed. (C. C. A. 2nd Cir.) 237; a number of cases in which the patent was involved, are cited in *Consolidated Rubber Tire Co. v. Diamond Rubber Co.*, 157 Fed. (C. C. A. 2nd Cir.) 667.

The point of departure from the concessions of counsel, as well as their insistence, is that the protection of the former judgment cannot be invoked respecting sales of one or less than the whole of the elements covered by the combination. As it seems to us, counsel refuse to accord due effect to the main feature of the bill. It is injury to appellee's business, through interference with its customers, that is made the subject of complaint.

58 In *Goodyear Tire & Rubber Co. v. Rubber Tire & W. Co.*, et al., 164 Fed. 869, the present appellee sought by bill to en-

join defendants from interfering with one of complainant's customers, who was doing business in Havana. One of the allegations of the bill was that under the protection of the former decree complainant was making rubber tires to sell to all who would buy. An interlocutory injunction was denied but solely upon the ground that defendants had registered the Grant patent in the Republic of Cuba, and so had obtained "a Cuban patent for the same invention" (877). In other words, the court could not protect the present appellee in virtue of the decree declaring the Grant patent void, without interfering with independent rights acquired by defendants through the Cuban grant respecting business carried on in Cuba. It is true that the point now relied on concerning sales of only one element of the combination, does not appear to have been presented. But apparently it was as open to consideration there as it is here. The case was heard before Judge Lurton, sitting in the Circuit Court, and in the course of the opinion he said (871):

"This court, as a court of equity having jurisdiction over the persons of the defendants, may control them, by decree in personam, from doing any act within or without the jurisdiction, at home or abroad, by bringing suit or otherwise, which shall be an interference with the right of the complainant to prosecute its business without interference with the defendants by virtue of the Grant patent."

In *Kessler v. Eldred*, 206 U. S. 285, the right of a holder of one patent, who had failed in a suit for infringement against the holder of another patent, to maintain an action against a customer of the latter for using one of the latter's patented devices, was passed upon; and one of the controlling features of the decision is that such a suit if not enjoined would in violation of the previous judgment interfere with the business of the successful party in the original infringement suit.

Counsel for appellants earnestly endeavor to distinguish that case, on the ground that the customer was there using the entire patented device. They place stress upon the following language of Mr. Justice Moody, who announced the opinion of the court (288):

"Whether the judgment between *Kessler* and *Eldred* is a bar to the suit of *Eldred v. Breitwieser* (the customer of *Kessler* and user of his device), either because *Breitwieser* was a privy to the original judgment, or because the articles themselves were by that judgment freed from the control of that patent, we deem it unnecessary to inquire. We need not stop to consider whether the judgment in the case of *Eldred v. Kessler* had any other effect than to fix unalterably the rights and duties of the immediate parties to it, for the reason that only the rights and duties of those parties are necessarily in question here. It may be that the judgment in *Kessler v. Eldred* will not afford *Breitwieser*, a customer of *Kessler*, a defense to *Eldred's* suit against him. Upon that question we express no opinion. Neither it nor the case in which it is raised are before us."

It would seem also that questions of the character there stated are not before this court, and for the same obvious reasons. But it is difficult to perceive why the absence of such questions renders the

decision inapplicable to the present case; nor are we able to understand why the principles announced in that decision are not in point here. It is plain that Kessler did not gain any more freedom through the result of Eldred's infringement suit to manufacture and sell the Kessler device, than the Goodyear Company acquired respecting the Grant device in its original suit with the present appellants. Can it be that such freedom as to the whole device, does not include its parts as well separately as collectively? Why, as between the parties to the present suit, did not the former judgment operate to remove the ban of the Grant patent from each of its elements, and also to destroy all right to the combination of those elements? It was found in the opinion declaring the invalidity of the Grant patent that its parts, as also the result accomplished by the combination, were alike old in the art. (116 Fed., pp. 369, 371.)

It appears that the appellee in fact both before and at the date of the Grant patent, conducted the business, and that it has ever since then maintained the business, of manufacturing and selling
60 rubber tires. Manifestly that business, irrespective of the wire and rim trade, must in truth be impaired if the appellants are to be allowed to prosecute suits against appellee's customers for rubber tires. There is no pretense that such suits can be maintained, except through the Grant patent.

Returning to *Kessler v. Eldred*, it was said by Mr. Justice Moody (288-9):

"But the question here is whether, by bringing a suit against one of Kessler's customers, Eldred has violated the right of Kessler. The effect which may reasonably be anticipated of harassing the purchasers of Kessler's manufactures by claims for damages on account of the use of them, would be to diminish Kessler's opportunities for sale. No one wishes to buy anything, if with it he must buy a law suit. * * * Leaving entirely out of view any rights which Kessler's customers have or may have, it is Kessler's right that those customers should, in respect of the articles before the court in the previous judgment, be let alone by Eldred, and it is Eldred's duty to let them alone. The judgment in the previous case fails of the full effect which the law attaches to it if this is not so."

Now, keeping in mind, in the first place, the distinction between the rights of Kessler as against Eldred and those of Eldred as against Breitwieser, and, in the next place, the right of Kessler in that suit to have his right vindicated as against Eldred regardless of the latter's rights against Breitwieser, the relevance of the principle of the Kessler case to the case in hand becomes apparent. Kessler's right as against Eldred to make and sell the Kessler device had been established against Eldred's charge of infringement, not of invalidity, of the Eldred patent. The present appellee's right as against appellants to make and sell solid rubber tires, metal rims and wire, was adjudged to be unaffected by the Grant patent because it was invalid and void. The inevitable effect of the final adjudication, as between these parties, was, we think, to restore appellee to the same rights respecting the sale of its tires that it would have possessed had the Grant patent never been issued. To say anything less than this—to

say that appellee may sell all the elements of the Grant patent as an entirety but may not sell them separately—is to deny to appellee in regard to a void patent a privilege equivalent even to that accorded to a licensee under a valid patent to use less than the whole of the patented device (Young v. Foerster, 37 Fed. 203, 204) or to a purchaser of a valid patented device to use as part of it an unpatentable article (Morgan Envelope Co. v. Albany Paper Co., 152 U. S. 425, 433). It follows that appellee's right as against appellants to make sales of any or all of the articles comprised in the Grant patent is at *last* referable to that principle which recognizes an absolute power in every man to dispose of his own property. The sanction then of any result of the former judgment which necessarily hampers and injures the successful party to the suit in the prosecution of its business, would be at once illogical and unjust.

The effort made to escape this through the decisions of *Aspden v. Mason*, 4 How. 467, and *Birdsell v. Shaliol*, 112 U. S. 485, cannot be sustained; those cases are not analogous. It is manifest that the elements of the Grant patent and the rights of the parties in respect of each of those elements, as well as the combination, were involved in the issues of the original case in the sense that they were heard and adjudged on their merits; and consequently the subject matter of the former suit and judgment must in accordance with familiar principles be held to have included the subject matter of this suit.

In respect to the license agreement, it is sufficient to say that it was entered into expressly without prejudice to the rights of any of the parties in August, 1903, for one year, and was neither renewed nor observed thereafter. If the agreement was not invalid on its face, which we do not decide, we are unable to see how anything done in pursuance of it could as claimed estop appellee from insisting upon the observance of the right adjudged in its favor in the former suit.

We are not satisfied, however, with the scope of the preliminary injunction. The suit commenced by appellants in St. Louis does not involve appellee's make of tires. The pleadings respecting the firm of Jose Alvarez & Co. of Cuba, do not seem to change the situation touching the Cuban patent, as explained in *Good-*

year Tire & Rubber Co. v. Rubber Tire Wheel Co., *supra*.

But apart from these observations, we do not think that a proper showing was made to require a preliminary injunction as to acts alleged in respect to customers other than Doherty; we are of opinion, however, that the order should stand as to the prosecution of the suit against him. It is not contended as plainly it could not be that the remedy in equity cannot be invoked to prevent the prosecution of a single case like that against Doherty. (*Kessler v. Eldred*, at p. 289.)

The order must be modified as thus indicated; and subject to this, the order of the court below granting the preliminary injunction will be affirmed with costs.

63 United States Circuit Court of Appeals for the Sixth Circuit.

I, Frank O. Loveland, Clerk of the United States Circuit Court of Appeals for the Sixth Circuit, do hereby certify that the foregoing is a true and correct copy of the record and proceedings in the case of The Rubber Tire Wheel Co. et al. vs. The Goodyear Tire Rubber Co. No. 2037, as the same remains upon the files and records of said United States Circuit Court of Appeals for the Sixth Circuit, and of the whole thereof.

In testimony whereof, I have hereunto subscribed my name, and affixed the seal of said Court, at the City of Cincinnati, Ohio, this 2nd day of May, A. D. 1911.

[Seal United States Circuit Court of Appeals, Sixth Circuit.]

FRANK O. LOVELAND,
*Clerk of the United States Circuit Court of
Appeals for the Sixth Circuit.*

64 UNITED STATES OF AMERICA, ss:

[Seal of the Supreme Court of the United States.]

The President of the United States of America to the Honorable the Judges of the United States Circuit Court of Appeals for the Sixth Circuit, Greeting:

Being informed that there is now pending before you a suit in which The Rubber Tire Wheel Company and The Consolidated Rubber Tire Company are appellants, and The Goodyear Tire & Rubber Company is appellee, No. 2037, which suit was removed into the said Circuit Court of Appeals by virtue of an appeal from the Circuit Court of the United States for the Southern District of Ohio, and we, being willing for certain reasons that the said cause and the record and proceedings therein should be certified by the said Circuit Court of Appeals and removed into the Supreme Court of the

65 United States, Do hereby command you that you send without delay to the said Supreme Court, as aforesaid, the record and proceedings in said cause, so that the said Supreme Court may act thereon as of right and according to law ought to be done.

Witness the Honorable Edward D. White, Chief Justice of the United States, the 26th day of October, in the year of our Lord one thousand nine hundred and eleven.

JAMES H. MCKENNEY,
Clerk of the Supreme Court of the United States.

United States Circuit Court of Appeals for the Sixth Circuit, ss:

I, Frank O. Loveland, Clerk of the United States Circuit Court of Appeals for the Sixth Circuit, do hereby certify that the transcript of record of the proceedings of this Court in the within entitled case heretofore certified by me for filing in the Supreme Court of the

United States was correct and complete as the same then appeared in this Court.

In pursuance of the command of the foregoing writ of certiorari I now hereby certify that on the 13th day of November 1911, there was filed in my office a stipulation in the above entitled cause in the following words towit:

"United States Circuit Court of Appeals for the Sixth Circuit.

No. 2037.

THE RUBBER TIRE WHEEL COMPANY and THE CONSOLIDATED
RUBBER TIRE COMPANY, Appellants,

vs.

THE GOODYEAR TIRE & RUBBER COMPANY, Appellee.

Stipulation.

It is hereby stipulated that the certified transcript of the record in this court now on file in the Supreme Court of the United States may be taken as a return to the writ of certiorari granted by the Supreme Court of the United States.

November 9, 1911.

LAWRENCE MAXWELL,
Counsel for Appellants.
H. A. TOULMIN,
Counsel for Appellee.

I further certify that the above is a true and correct copy of the said stipulation and of the whole thereof.

Witness my signature and the seal of the said United States Circuit Court of Appeals for the Sixth Circuit at the city of Cincinnati, Ohio, in said Circuit this 13th day of November 1911.

[Seal United States Circuit Court of Appeals, Sixth Circuit.]

FRANK O. LOVELAND,
*Clerk U. S. Circuit Court of Appeals
for the Sixth Circuit.*

66 [Endorsed:] File No. 22,709. Supreme Court of the United States. No. 633, October Term, 1911. The Rubber Tire Wheel Company et al. vs. The Goodyear Tire & Rubber Company. Writ of Certiorari. Filed Nov. 13, 1911. Frank O. Loveland, Clerk.

67 [Endorsed:] File No. 22,709. Supreme Court U. S., October term, 1911. Term No. 633. The Rubber Tire Wheel Company et al., Petitioners, vs. The Goodyear Tire & Rubber Company. Writ of Certiorari and Return. Filed November 15, 1911.

Supreme Court of the United States.

**THE RUBBER TIRE WHEEL COMPANY and CONSOLIDATED RUBBER TIRE COMPANY,
Defendants-Petitioners,**

VERSUS

**THE GOODYEAR TIRE & RUBBER COMPANY,
Complainant-Respondent.**

Notice to Respondent.

TO THE GOODYEAR TIRE & RUBBER COMPANY, THE ABOVE-NAMED RESPONDENT:

Take notice that on the 29th day of May, 1911, at the opening of the Court on that day, or as soon thereafter as counsel can be heard, the petition for writ of *certiorari* in the above-entitled cause, of which a copy is hereto annexed, will be submitted to the Supreme Court of the United States.

**LAWRENCE MAXWELL,
FREDERICK P. FISH,
STALEY & BOWMAN,
CHAS. W. STAPLETON,**

Solicitors, and of Counsel for Petitioners.

**STATE OF OHIO, }
County of Clarke, } ss.:**

**CHAS. I. WELCH, being duly sworn, deposes and says:
That on 26th day of May, 1911, he served the above notice, together with the following petition and decisions**

thereto annexed and also the brief in support of the petition, upon H. A. Toulmin, Esq., of counsel for the respondents herein, by leaving copies thereof with the person in charge of his office in the Bushmill Building, Springfield, Ohio.

CHAS. I. WELCH.

Subscriber and sworn to before me }
this 26th day of May, 1911. }

OLIVER H. MILLER,
Notary Public.

SUPREME COURT OF THE UNITED STATES.

THE RUBBER TIRE WHEEL COMPANY and CONSOLIDATED RUBBER TIRE COMPANY,
Complainants-Petitioners,

VS.

THE GOODYEAR TIRE & RUBBER COMPANY,
Defendant-Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT, TO REQUIRE THAT COURT TO CERTIFY TO THE SUPREME COURT OF THE UNITED STATES FOR ITS REVIEW AND DETERMINATION THE CASE OF THE RUBBER TIRE WHEEL CO. & ANO., DEFENDANTS-APPELLANTS, AGAINST THE GOODYEAR TIRE & RUBBER CO., COMPLAINANT-RESPONDENT, IT BEING DOCKETED AS NO. 2037 IN SAID CIRCUIT.

TO THE HONORABLE, THE SUPREME COURT OF THE UNITED STATES:

Your petitioner, the Rubber Tire Wheel Co. and the Consolidated Rubber Tire Company, respectfully petition

this Honorable Court that a writ of *certiorari* may be granted directing the Circuit Court of Appeals for the Sixth Circuit to certify to this Honorable Court for its review and determination the said case of the Goodyear Tire & Rubber Company against your petitioners, and respectfully show to this Honorable Court the following as their reasons:

FIRST.—Your petitioner, the Rubber Tire Wheel Company, is a corporation duly organized and existing under and by virtue of the laws of the State of Ohio, and your petitioner, the Consolidated Rubber Tire Company, is a corporation duly organized and existing under and by virtue of the laws of the State of New Jersey, having its principal place of business in the City, County and State of New York, and your petitioners are the owners of U. S. Letters Patent No. 554,675, issued to Arthur W. Grant, Feby. 18th, 1896. That the Goodyear Tire & Rubber Company is a corporation existing under and by virtue of the laws of the State of Ohio, having its principal place of business at Akron, Ohio.

SECOND.—That said the Goodyear Tire & Rubber Company filed its bill of complaint against your petitioners, the Rubber Tire Wheel Company and the Consolidated Rubber Tire Company, in the United States Circuit Court for the Southern District of Ohio, Western Division, on the 23rd day of August, 1907, to enjoin your petitioners from instituting or prosecuting suits for infringement of Letters Patent granted to A. W. Grant, under dated of February 18, 1896, No. 554,675, for improvements in rubber tire wheels, against customers of said the Goodyear Company. That subsequently, to wit, on the 9th day of September, 1908, the affidavit of S. A. Sieberling was filed in said case by the Goodyear Tire & Rubber Company, and on the presentation of the affidavit, a restraining order was issued on that date, restraining, until the further order of the Court, your petitioners from prosecuting, bringing or proceeding further with the suit lately filed in the U. S. Circuit Court of the Southern District

of New York against one John Doherty for the infringement of said Grant patent No. 554,675, or suing any other customer of said the Goodyear Company.

That thereafter said cause came on for hearing on the application for a temporary injunction and same was argued and submitted on affidavits to the Honorable J. E. Sater, Judge of said Circuit Court, and that thereafter an injunction order was entered on the 23rd day of November, 1909, enjoining and restraining *pendente lite* your petitioners, the Rubber Tire Wheel Company and the Consolidated Rubber Tire Company, from prosecuting the said suit heretofore brought by them in the Southern District of New York against said John Doherty, an alleged customer of the Goodyear Company, and further restraining and enjoining your petitioners from instituting, maintaining or prosecuting any action in any court of the United States based on said Letters Patent 554,675 against any person, firm or corporation dealing in, buying, selling or using any of the Goodyear Company's solid rubber tires.

That an appeal from said injunction order was duly allowed in open court, and said cause was properly brought before the Circuit Court of Appeals for the Sixth Circuit, and that on the 22nd day of December, 1909, a certified transcript was filed in the Circuit Court of Appeals for the Sixth Circuit, and said cause was duly entered and docketed in said Court and entitled the Rubber Tire Wheel Company and the Consolidated Rubber Tire Company, appellants, against the Goodyear Tire & Rubber Company, appellee.

A certified copy of the entire record in the case in the Circuit Court of Appeals is hereby furnished in conformity to Rule 37, and the same is hereby referred to and marked and made a part of this petition. The said certified printed copy of said entire record of the proceedings in said Court contains all the testimony, affidavits and evidence that was presented upon the trial of said case in said Court.

THIRD.—That the said cause came on to be heard in the said Circuit Court of Appeals on the 10th day of October, 1910, before the Honorable Circuit Judges Severns, Warrington and Knappen, and upon the 6th day of December, 1910, the said Circuit Court of Appeals rendered a judgment affirming the order of the Court below modified in the manner indicated in the opinion and decision in writing which is contained in the certified copy of the report of the Court of Appeals at pages 52 to 58, and the same is hereby referred to and made a part of the petition.

FOURTH.—Your petitioners are advised and so believe that said judgment and finding of said Circuit Court of Appeals, in said cause, affirming the judgment of the said Circuit Court are erroneous, without legal jurisdiction and contrary to all the rules, decisions and principles at law laid down by this Honorable Court, and that this Court should require the case to be certified for its review and determination under and in accordance with the Sixth Section of the Acts of Congress entitled "An Act to establish circuits courts of appeals and to define and regulate in certain cases the jurisdiction of the courts of the United States, and for other purposes," approved March 3rd, 1891, the said cause being made final in said Circuit Court of Appeals by said act except for the interposition and rightful recognition of this Honorable Court as herein prayed.

Grounds and Gravamen of and for the Petition for Writ of Certiorari.

1. This petition should be granted because the courts below misapplied the law laid down in *Kessler v. Eldred*, 206 U. S., 285, to the facts of the case at bar, and because there seems to be a conflict of opinion between the Circuit Court of Appeals for the 6th Circuit and the Circuit Court of Appeals for the 2nd Circuit, as to ex-

tending the principle announced in said case of *Kessler v. Eldred*.

2. This petition should be granted because the exact and precise subject matter contemplated by the petition, namely, the Grant Patent No. 554,675, dated February 18th, 1896, was on the 10th day of April, 1911, sustained as valid by this Honorable Court (220 U. S. ;Advance Sheets, May 15, 1911). That the injunction complained of herein restrains your petitioner from prosecuting a suit filed against one John Doherty, in the United States Circuit Court for the Southern District of New York, for infringement of said patent by the manufacture and sale of a rubber tire composed of channel iron, purchased by said Doherty of the Rutherford Rubber Company of New York City, the wires purchased by said Doherty of the B. F. Goodrich Company, and the rubber purchased of the respondents, the Goodyear Tire & Rubber Company, the said Doherty having mounted the elements on a vehicle wheel in violation of the said patent, **and thereby enjoins your petitioner from prosecuting a suit against any customer of the Rutherford Rubber Company and the B. F. Goodrich Company, as well as the Goodyear Tire & Rubber Company.**

3. This petition should be granted because the subject matter contemplated by the petition, namely, the Grant Patent No. 554,675, dated February 18, 1896, is for an improved rubber tire comprising the combination of rubber, channel iron and two independent retaining wires, and your petitioners are enjoined by the courts below from prosecuting a suit against John Doherty, who was sued for infringement based upon his acts of assembling the said elements of rubber, channel iron and wires, in the precise manner set forth and claimed in the patent, thereby making or manufacturing the improved rubber tire. That in May, 1902, when the decree was entered in the Sixth Circuit against your petitioners and in favor of said Goodyear Tire & Rubber Company, adjudging the said Grant patent invalid (being the case relied upon by

the Court below as a prior adjudication giving immunity to said Goodyear Company and its customers), said Goodyear Company was making and selling the entire article, but since the time of said decree the said Goodyear Company has changed its method of doing business by generally furnishing only one of the elements of the combination and the customer thereafter purchasing the other elements from other manufacturers. That the injunction order complained of herein gives to the decree in favor of respondent a greater breadth or scope than it is entitled to have.

4. This petition should be granted because the subject matter contemplated by the petition is the Grant Patent No. 554,675, dated February 18th, 1896, for improved rubber tires, and is the same patent that respondents, the Goodyear Tire & Rubber Company, by their license agreement with your petitioners, acknowledged to be valid, and that said respondent by its license agreement with your petitioner is estopped to deny the validity of the patent and that its rights under the decree relied upon by the Court below have been waived.

Accompanying this petition your petitioner presents a brief by the petitioner's counsel, setting forth more in detail the errors complained of and the reasons in support of this petition.

Wherefore, your petitioners pray that this Honorable Court will grant its writ of *certiorari*, directed to the Circuit Court of Appeals for the Sixth Circuit, requiring that the record of said cause in said Court be certified to this Honorable Court for its review and determination.

LAWRENCE MAXWELL,
FREDERICK P. FISH,
STALEY & BOWMAN,
CHAS. W. STAPLETON,
Counsel for Petitioners.

UNITED STATES OF AMERICA, } ss.:
 State of New York and County of New York, }

VAN H. CARTMELL, being first duly sworn, states:
 That he is president of the above-named petitioner Consolidated Rubber Tire Company, and as such president has full knowledge of its business affairs and particular knowledge of the matters and things set forth in the above petition, and of the conduct and proceedings in the above-entitled action; that he has read the foregoing petition subscribed by him and knows the contents thereof, and that the facts stated therein are true except as stated on information and belief, and as to such statements he believes the same to be true.

VAN H. CARTMELL.

Subscribed and sworn to before me }
 this 26th day of May, A. D. 1911. }

CHAS. P. STEWART,
 Notary Public,
 New York County, No. 298.

I certify that in my opinion the above petition is well grounded in matter of law and proper to be heard.

CHAS. W. STAPLETON,
 Of Counsel for Petitioners.

Supreme Court of the United States.

THE RUBBER TIRE WHEEL COMPANY
and THE CONSOLIDATED RUBBER
TIRE COMPANY,

Defendants-Petitioners,

VS.

THE GOODYEAR TIRE & RUBBER COM-
PANY,

Complainant-Respondent.

Application for
Writ of
Certiorari.

BRIEF FOR PETITIONERS.

(Defendants Below.)

Facts.

This is an application under Section 6 of the Circuit Court of Appeals Act, praying for the issuance of the writ of *certiorari* requiring the Circuit Court of Appeals for the Sixth Circuit to certify to this Court for review the case of the Rubber Tire Wheel Company *et al.*, Appellants, *vs.* The Goodyear Tire & Rubber Company, Appellee.

The suit was brought by the Goodyear Tire & Rubber Company, complainant below, on the 23rd day of August, 1907, against your petitioners in the United States Circuit Court in the Southern District of Ohio. The bill of complaint alleged the citizenship of the complainant and your petitioners, the defendants therein, and that said complainant had for a number of years been engaged in

the business of manufacturing and selling solid rubber tires; the bill then set forth the proceedings in a case brought by your petitioners against the Goodyear Company, for alleged infringement of Grant patent No. 554,675, wherein the United States Circuit Court of Appeals for the Sixth Circuit held said Grant patent 554,675 to be null and void and ordered your petitioners' bill against said Goodyear Company to be dismissed. The opinion of said Court of Appeals in said infringement case is reported 116 Fed. Rep., p. 363.

This Grant patent, 554,675, is the one recently sustained by this Honorable Court as valid in the case of The Rubber Tire Wheel Company *et al. vs.* The Diamond Rubber Company. (See Vol. 220, U. S. Advance Sheets, May 15.)

The bill further alleged that in June, 1907, your petitioners (defendants below) brought suit against the Banner Buggy Company in the Circuit Court of the United States for the Eastern District of Missouri for infringement of said Grant patent, and that said the Banner Buggy Company was, and at the time of filing of the bill, continued to be a customer of said Goodyear Company, and that said suit against the Banner Buggy Company was an unlawful interference with said Goodyear Company's business.

The prayer of the bill was that your petitioners be enjoined against bringing any suits against anyone in the United States for infringements of the Grant patent by the purchase, use or sale of any tires manufactured by the said Goodyear Company.

An order to show cause was issued on said 23rd day of August, 1907, requiring your petitioners to show cause why they should not be enjoined, *pendente lite*, from suing the customers of the Goodyear Company (Rec., 1). Subsequently your petitioners filed affidavits setting forth the fact to be that the Banner Buggy Company was not a customer of the Goodyear Company, and no further steps were taken by said Goodyear Company to enjoin

the prosecution of said suit against the Banner Buggy Company. (See Opinion C. C. A., Rec., 52, p. 61.)

In May, 1908, said Goodyear Company amended its bill of complaint, setting forth that your petitioners through their agent, one H. F. Manning, were interfering with the business of their customer, Alvarez & Company, of Havana, Cuba (Rec., 10).

Upon the filing of the amendment to said bill, your petitioners were restrained *pendente lite* from prosecuting their suit in Cuba against Alvarez & Co., but after the hearing of the motion for a preliminary injunction the Court (Justice Lurton sitting) denied the injunction and dissolved the restraining order previously granted on the ground that your petitioners were suing said Alvarez & Company for infringement of its Cuban patent, and that the United States Circuit Court was without jurisdiction in the premises (164 Fed. Rep., 869).

Thereafter, to wit, on the 9th day of September, 1908, said the Goodyear Tire & Rubber Co. filed in said Circuit Court an affidavit of F. A. Seiberling, president of the Goodyear Company, setting forth that your petitioners had sued one John Doherty, in the United States Circuit Court for the Southern District of New York, for infringement of the Grant patent, 554,675; that said Doherty was a customer of said Goodyear Company and had been a customer since December, 1907, and that the subject matter sold said Doherty by said the Goodyear Company consisted only of the rubber molded into form, said Doherty not having ever ordered of the Goodyear Company or received from it prior to the 9th day of September, 1908, any channel rims or wires, said Doherty having so far confined his orders to what was alleged to be the principal feature of the tire equipment, viz.: the molded rubber. The claims of the Grant patent are as follows:

"1. In a vehicle wheel having a metallic rim with angularly projecting flanges to form a channel or groove with tapered or inclined sides, a rubber

tire, the inner portion of which is adapted to fit in said groove or channel, and the outer portion having sides at an angle to the inner portion, the angle or corner between the outer and inner portions being located within the outer periphery of the flanges, and independent retaining wires passing entirely through the inner portions of said tire and also within the outer peripheries of the flanges substantially as described.

"2. A vehicle wheel having a metallic rim with outwardly projecting flanges at an angle to the plane of said wheel so as to form a channel or groove having tapered or inclined sides, a rubber tire, the inner portion of which is adapted to fit in said tapered groove or channel, and the outer or exposed portions formed at an angle thereto, the angle or corner between the said portions being placed within the outer periphery of said flanges, openings extending entirely through the unexposed portion of said tire, and independent retaining wires in said openings, and a reinforcing-strip of fibrous material placed at the bottom of said tire wholly within said flanges, substantially as specified."

Upon the filing of said affidavit, a restraining order immediately issued from the said Court restraining your petitioner from prosecuting said suit against John Doherty and from bringing or prosecuting any other suit or suits against any other customer or customers in the United States of said Goodyear Company (Rec., 27).

Thereafter affidavits were filed by the parties by which it was proved that the said John Doherty purchased rubber of the Goodyear Company, channel rims of the Rutherford Rubber Company of New York and wires of the B. F. Goodrich Company of New York, and that said Rutherford Company and Goodrich Company had acquired no rights under the Grant patent (Rec., 28 and 39), also that said Doherty was in the business of applying rubber tires at 300 W. 48th Street, New York, and that in the regular course of his business he did combine and apply the rubber, channel rim and wires, respectively bought

of the several and distinct parties as aforesaid, so as to mount a complete rubber tire upon the vehicle wheels of his customers.

Upon the hearing of the motion for a preliminary injunction, the cause was submitted upon said affidavits and the preliminary injunction thereafter issued, enjoining your petitioners from prosecuting the suit against said Doherty or bringing any suit against any customers of said Goodyear Company.

An appeal was taken to the United States Circuit Court of Appeals for the Sixth Circuit, and on the 6th day of December, 1910, said Court of Appeals affirmed the decree of the lower Court in so far as it enjoined your petitioners from prosecuting the suit against said Doherty, but held that a proper showing was not made to require a preliminary injunction as to acts alleged as to customers other than Doherty. Thereafter, pursuant to said decision, the preliminary injunction order was modified so as only to enjoin your petitioners from prosecuting said suit against said John Doherty.

In said case of *The Rubber Tire Wheel Company and ano. vs. The Diamond Rubber Company*, decided April 10th, 1911, by this Honorable Court and reported in *Sup. Ct. Reports (Advance Sheets, Vol. 220, May 15th, 1911)*, there was considered the opinion and decision of the Circuit Court of Appeals for the Sixth Circuit, above referred to (116 Fed., 363), and which declared said patent invalid.

Subsequent to that decision of the Circuit Court of Appeals for the Sixth Circuit, holding said Grant patent invalid, said Goodyear Company entered into a license agreement with your petitioners in December, 1903, acknowledging the Grant patent as valid, your petitioners agreeing on their part to prosecute vigorously any and all infringers of said patent except such as were committed in the Sixth Circuit (Rec., 17 and 18). The license agreement contained a clause as follows (Rec., 18):

"III. It is hereby mutually agreed by and between the parties hereto that this license shall in

no way prejudice either of the parties hereto, but that the legal status of the parties existing prior to the execution of this agreement shall remain unaffected by this agreement in every respect."

The issue here presented, is therefore, whether your petitioners, the owners of a United States patent, admittedly valid by the decree of this Honorable Court, were properly enjoined by the Courts below from proceeding against one Doherty in the New York Courts for infringement of that valid patent,—an infringement which consisted in organizing the rubber molded in form, and channel iron and wires in such relations as to form a rubber tire wholly within the claims of the Grant patent.

Argument.

The grounds set forth in the petition for writ of *certiorari* are that the Courts below have misapplied the law announced in the case of *Kessler vs. Eldred*, 206 U. S., 285, to the facts peculiar to the case at bar.

Not only has the doctrine first announced by this Honorable Court in the case of *Kessler vs. Eldred*, cited *supra*, raised serious and doubtful questions as to the effect of any prior adjudication of a patent, but as applied by the Court below to this case, has brought about a remarkable and almost absurd situation.

This Honorable Court took pains in deciding said case of *Kessler vs. Eldred*, to state that the decision was one of first impression.

The United State Circuit Court of Appeals for the Second Circuit considered this new doctrine in the following words (*Consolidated Rubber Tire Co. vs. Diamond Co.*, 157 Fed., 677, p. 679):

"*Kessler v. Eldred*, as the Supreme Court itself remarked, was a case of novel impression, and in deciding it that Court carefully confined the decision to the single point that the original judgment was conclusive upon the original parties to it. * * *

"It would seem that inferior Courts should be

cautious about extending the principle enunciated in that case beyond the limits within which it was there applied.

"The opinion opens up a new subject in patent law practice, and it is desirable, no doubt, that an early expression of opinion by the Supreme Court should be secured upon a record which will present its broader aspects, but we do not think it wise to certify the questions to that tribunal upon this record."

The questions raised here give this Honorable Court an opportunity to consider to what limits the Courts may carry that principle set forth in the Kessler case.

The Courts below relied solely upon the said Kessler case as authority for extending a principle that brings great hardship upon your petitioners, while your petitioners in the Court below contended that the doctrine should not extend to the facts as established herein.

The facts in this case are entirely distinct and different from the facts in the case of *Kessler v. Eldred*.

In the case at bar, the said Grant patent covers a vehicle wheel having built upon it in a special way rubber, channel iron and wires, and the claims have been construed by this Honorable Court to be narrow claims limited substantially to the precise relative arrangement of rubber, channel iron and wires, the fact being that the precise or specific arrangement of rubber, channel iron and wires shown and described in the patent is essential in order to make a practical and successful rubber tire for horse-drawn vehicle use.

The fact cannot be disputed successfully that said Grant patent is for a combination of elements organized in a specific way, and the real invention as covered by the claims is not practiced nor infringed until the three material elements are organized as and put into the relations required by the patent.

The suit brought by your petitioners against said John Doherty, as to which the further prosecution has been enjoined by the erroneous decree complained of herein, was based on the infringement of said Grant

patent by the making and selling vehicle wheels having rubber, channel iron and wires mounted thereon by said Doherty at his regular place of business in the City of New York, in exact compliance with the instructions of the Grant patent, having the rubber, channel iron and wires arranged in the specific manner designated in each of the two claims of the patent, and therefore in violation of the definite terms of the patent (Rec., 52).

Manifestly, this is a different case from *Kessler v. Eldred*, 206 U. S., 285, where the patent related to an article of manufacture known as a cigar lighter and where the customers purchased the *complete* article already put together for use by the manufacturer.

Indeed the only ground upon which the injunction order of the Court below was affirmed by the United States Circuit Court of Appeals for the Sixth Circuit, was that John Doherty had purchased rubber of the said Goodyear Company, being to that extent a customer of Goodyear Company, and that therefore your petitioners' suit against said Doherty was an improper interference with the business of said Goodyear Company; that the Goodyear Company having obtained a decree in its favor holding said Grant patent to be invalid, necessarily must be held to be free to sell to whomsoever it pleased and whatever part of a rubber tire it pleased, thereby giving immunity to the world at large to make and sell in infringement of the Grant patent and in violation of your petitioners' right without any liability whatever.

This appears clearly from the opinion of said United States Circuit Court of Appeals for the Sixth Circuit. They say on this point (Rec., 52) :

"The point of departure from the concessions of counsel as well as their insistence, is that the protection of the former judgment cannot be invoked respecting sales of one or less than the whole of the elements covered by the combination. As it seems to us, counsel refuse to accord due effect to the main feature of the bill. It is injury to appellee's business, through interference with its customers, that is made the subject of complaint."

Again the Court says:

"In *Kessler v. Eldred*, 206 U. S., 285, the right of a holder of one patent who had failed in a suit for infringement against the holder of another patent, to maintain an action against a customer of the latter for using one of the latter's patented devices, was passed upon; and one of the controlling features of the decision is that such a suit if not enforced would in violation of the previous judgment interfere with the business of the successful party in the original infringement suit.

"Counsel for appellants earnestly endeavor to distinguish that case, on the ground, that the customer was there using the entire patented device. They place stress upon the following language of Mr. Justice Moody, who announced the opinion of the Court (288):

"Whether the judgment between *Kessler* and *Eldred* is a bar to the suit of *Eldred v. Breitwieser* (the customer of *Kessler* and user of his device) either because *Breitwieser* was a privy to the original judgment or because the articles themselves were by that judgment freed from the control of that patent, we deem it unnecessary to inquire. We need not stop to consider whether the judgment in the case of *Eldred v. Kessler* had any other effect than to fix unalterably the rights and duties of the immediate parties to it, for the reason that only the rights and duties of those parties are necessarily in question here. It may be that the judgment in *Kessler v. Eldred* will not afford *Breitwieser*, a customer of *Kessler*, a defense to *Eldred's* suit against him. Upon that question we express no opinion. Neither it nor the case in which it is raised are before us."

"It would seem also that questions of the character there stated are not before this Court, and for the same obvious reasons. But it is difficult to perceive why the absence of such questions renders the decision inapplicable to the present case; nor are we able to understand why the principles announced in that decision are not in point here. It is plain that *Kessler* did not gain any more freedom through the result of *Eldred's* infringement suit to manufacture and sell the *Kessler* device, than the *Goodyear* Com-

pany acquired respecting the Grant device in its original suit with the present appellants. Can it be that such freedom as to the whole device does not include its parts as well separately as collectively? Why, as between the parties to the present suit, did not the former judgment operate to remove the ban of the Grant patent from each of its elements, and also to destroy all right to the combination of those elements? It was found in the opinion declaring the invalidity of the Grant patent that its parts, as also the result accomplished by the combination, were alike old in the art (116 Fed., pp. 369, 371)."

The erroneous character of this reasoning, as appears to your petitioners, is sufficiently shown by the fact that it omits from consideration entirely the rights of your petitioners against the customers of the Rutherford Company and the B. F. Goodrich Company. The shopman, John Doherty, was as much a customer of the Rutherford Company as he was of the Goodyear Tire & Rubber Company, and the injunction order of the Court below in effect enjoins your petitioners from pursuing its rights against the Goodrich Company and the Rutherford Company.

This puts within the power of said Goodyear Company the nullifying of the decision of this Honorable Court in the Diamond case; for if the Goodyear Company can license a customer by selling merely the rubber molded to form, it can assuredly license its customer by selling or supplying it with channel iron or supplying it with wire, and if said Goodyear Company can license John Doherty in that manner, it can license any rubber company in the same manner and may particularly license the Diamond Rubber Company, against which this Honorable Court has decreed the patent to be valid, by merely supplying wires.

There was no dispute as to the facts in this case. F. A. Sieberling, president of the Goodyear Company, testified (Rec., 25)

"that the rubber tires so far sold by this company to said Doherty consisted of the tires proper, that

is to say, the rubber tires themselves, said Doherty not having as yet ordered from this company any channel iron or wires to be sent to him by or through this company, having so far confined his orders to the principal feature of the tire equipment, namely, the rubber tires themselves."

No such doctrine was announced in *Kessler vs. Eldred*. In fact, this Honorable Court emphasized the distinguishing fact that there were no other rights of any kind involved in that case, other than the right of Kessler, who had a prior adjudication in his favor, and his customer, Breitwieser, who had purchased the complete article from Kessler.

The most conclusive argument against the correctness of the holding of the Courts below is that your petitioners are held estopped from interfering in any way with any customer of the Goodyear Company, though he may have purchased merely wires of said Goodyear Company, while had the prior adjudication been *in favor* of your petitioners and against said Goodyear Company, it would not be *res adjudicata* so as to estop its customers in any respect whatever.

Had your petitioners obtained a decree sustaining the Grant patent against said Goodyear Company, that decree would not have operated as an adjudication against John Doherty nor any other customer of said Goodyear Company in any cause thereafter brought against him for infringement of said Grant patent. Would he not be free to prove the invalidity of the Grant patent, notwithstanding the fact that said Grant patent had been held valid in a prior suit brought against his vendor, the Goodyear Company?

Birdsall v. Shaliol, 112 U. S., 485.

It will be observed that the Circuit Court of Appeals relies solely upon the case of *Kessler v. Eldred*, 206 U. S., 285, as establishing the correctness of the injunction order complained of.

Yet this Honorable Court stated that the case of *Kessler v. Eldred* was one of first impressions, there being

no prior decision on the question presented in that case, and the Circuit Court of Appeals for the Second Circuit has held that the principle should be cautiously extended.

It is noteworthy that the Court of Appeals for the Sixth Circuit in its decision holds that it is immaterial where the rubber element is manufactured or where sold by said Goodyear Company. Obviously if the Goodyear Co. can give immunity to one company or individual, it can give immunity to all companies and individuals throughout the United States and its territories.

It matters not whether the Goodyear Company be located at San Francisco or Hoboken. Having obtained an erroneous decree in its favor, can destroy all the rights of your petitioners under a patent held valid by this Honorable Court by passing immunity to manufacturers, dealers and agents by merely shipping or supplying any elements of the combination—wires, steel channel, or the rubber section.

Again, the injunction order of the Court below applied in its final analysis, must necessarily mean that the Goodyear Company can sell wires to the Diamond Rubber Company, a manufacturer of rubber and against whom this Court has adjudged the patent valid, thereby making the Diamond Rubber Company its customer, and that the Diamond Company can then manufacture the rubber and the channel iron and put the article together in violation of the Grant patent, ignoring your petitioners and the decree of this Court against it, and further that your petitioners can be enjoined from prosecuting suit against the Diamond Company. It seems to be absolutely immaterial whether the Goodyear Company sold the rubber, or wires or the channel iron to its customer; for it is well established that in a combination no one element can be treated as more material than any other element. Therefore, if the customer Doherty has immunity by reason of his purchase of rubber from the Goodyear Company he would likewise have immunity had he purchased wires only of the Goodyear Company. Thus, the confusion of the situation becomes ludicrously apparent.

Conclusion.

Without attempting to go into all matters in the record that would bear out and confirm our statements and propositions here advanced, we respectfully submit that it would be in accordance with justice and within the Acts of Congress for this Honorable Court to grant this petition and give your petitioners an opportunity to have a final day in court in order to determine the right or wrong of the subject matter involved herein, believing that by such opportunity your petitioners will demonstrate to your Honors the unqualified hardship and injustice that has been done your petitioners and will follow therefore without redress by refusing to grant this petition.

Respectfully submitted,

LAWRENCE MAXWELL,
FREDERICK P. FISH,
STALEY & BOWMAN,
CHAS. W. STAPLETON,
Counsel for Petitioners.



4
Office Supreme Court, U. S.
FILED.

OCT 5 1911

JAMES H. MCKENNEY,
CLERK.

SUPREME COURT OF THE UNITED STATES

THE RUBBER TIRE WHEEL COMPANY
AND CONSOLIDATED RUBBER TIRE
COMPANY,

Defendants—Petitioners,

VS.

THE GOODYEAR TIRE AND RUBBER
COMPANY,

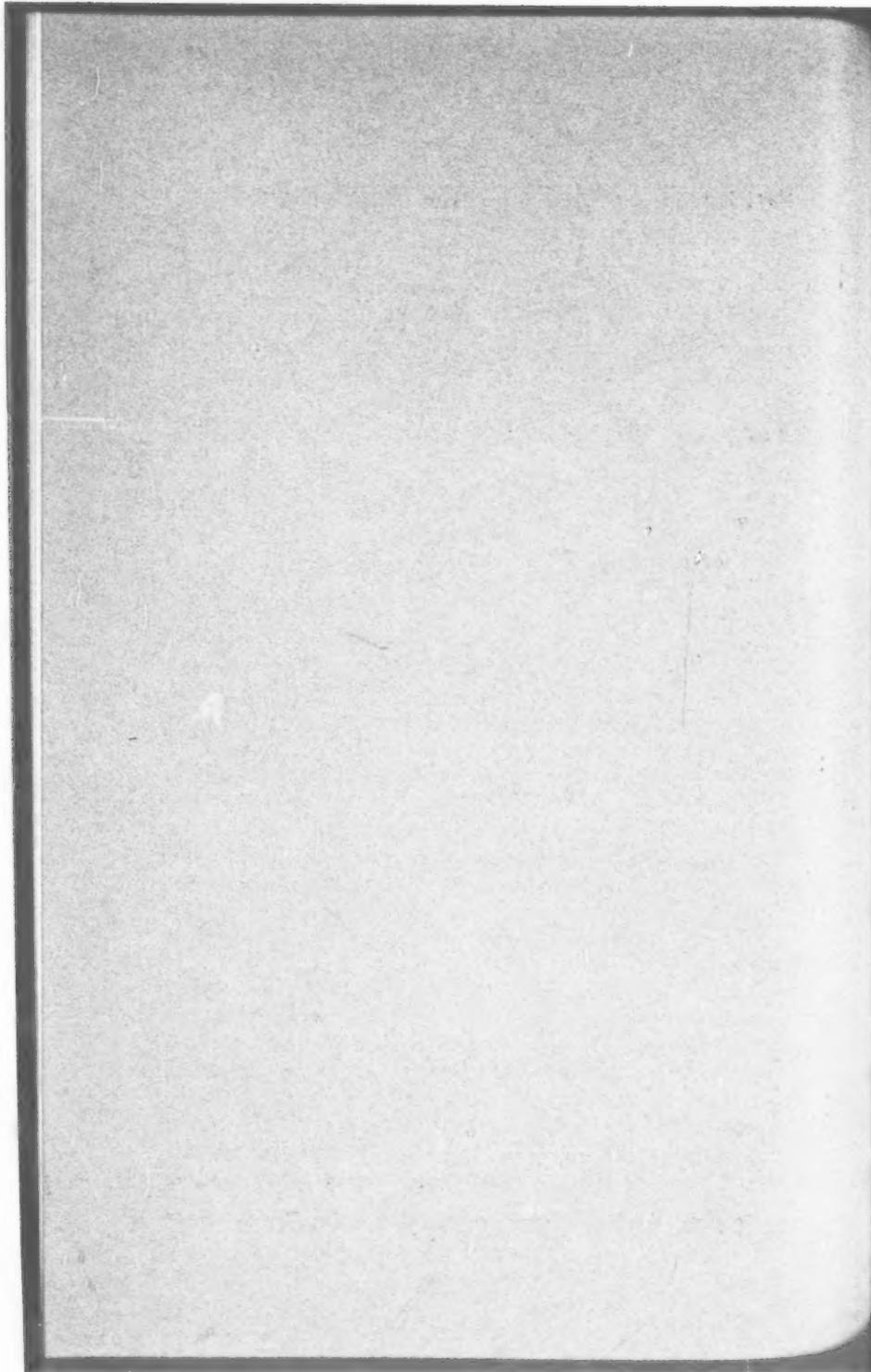
Complainant—Respondent.

37
No. 603,811

October Term,
1911.

Argument in Opposition to Defendants' Petition for Writ of Certiorari

H. A. TOULMIN,
Counsel for Respondent.



SUPREME COURT OF THE UNITED STATES.

THE RUBBER TIRE WHEEL COMPANY AND CONSOLIDATED RUBBER TIRE COMPANY, <i>Defendants=Petitioners,</i>	} October Term, 1911.
VS.	
THE GOODYEAR TIRE AND RUBBER COMPANY, <i>Complainant=Respondent.</i>	

BRIEF FOR RESPONDENT.

Never, perhaps, in its life has the nation needed the time and labors of this Court more than in the pressing present. The docket is heavy and the matters awaiting determination are weighty. The strength of the judges should be conserved—not taxed. Yet the petitioners are here pressing a narrow, personal claim of no general public moment; a claim, too, which in its controlling legal aspects has already been determined by this Court in *Kessler v. Eldred*, 206 U. S., 285, in such plain terms that “he who runs may read”; and which in its relations to petitioners themselves has been twice decided against them by the regular courts appointed by law—the Circuit Court (Record, p. 40), and the Circuit Court of Appeals, 183 F. 978.

1. The simple question now presented (and so already decided in *Kessler v. Eldred*) is whether the petitioners shall be allowed to continue to interfere with the trade of the respondents by suing their customers all over the country in vexatious law suits, notwithstanding the fact that over nine years ago a final decree was rendered by the Circuit Court of Appeals for the Sixth Circuit,* holding absolutely void, as between these

* And which decree and judgment this Court has twice refused to review by certiorari. 187 U. S. 641 and 214 U. S. 512.

parties, the patent on which it is sought at this late day to base these new suits against customers of respondent who buy from respondent the same identical solid rubber tires involved in that original litigation.

This Court certainly settled that question in *Kessler v. Eldred*. And the two lower courts simply so held, applied that controlling case to this one, and decided against the petitioners, restraining them from suing a certain customer, and so further interfering with the trade of respondent; thus preventing the destruction of respondent's business and the nullification of that final judgment of nine years ago—May, 1902. And there was no honest merit in the suit brought by the petitioners against respondent's said customer, John Doherty, the prosecution of which has been enjoined by the action now sought to be brought here for review, for such suit was founded upon the offense of collusion, instigated by the petitioners.

2. COLLUSION. As his Honor, Judge Sater, says in his enlightening opinion, in speaking of the facts showing how the petitioners procured the material on which to bring that suit, the "evidence is undisputed." Petitioners, realizing that they could not escape an injunction under the decision in *Kessler v. Eldred*, if they simply sued a Goodyear customer for selling Goodyear tires, sought to make up a special set of facts so as afterwards to argue that the facts were different from those in the *Kessler v. Eldred* case. So they procured Doherty for pay, \$20 (not thirty shekels of silver), to buy the rubber *per se* (the main article and that manufactured by respondent) from the Goodyear company; the wire from some other house, and the channel iron from still another. Judge Sater made this finding of these facts, and the Court of Appeals adopted (183 F. 979) the finding, so that both agree on what took place at the instance of the petitioners. Judge Sater says:

"Doherty is a small dealer, of small means, and has been a customer of the complainant since December, 1907. The affidavit shows him to have stated that some persons unknown to him, desiring to equip a carriage wheel with a rubber tire, directed that the tire must be of the complainant's manufacture, and Doherty thereupon purchased such a tire. Thereafter, Roberts, New York manager of the Consolidated Rubber Tire Company, before the fitting of a rubber to the wheel, directed him to buy the necessary wiring and steel channel of some one other than the complainant or any of its agents or branch houses. He thereupon purchased the wire of B. F. Goodrich, and the steel channel of the Rutherford Rubber Company. He says he was further directed by Roberts to mark the wheel to which he applied the tire so he could identify it, and to send his bill for services rendered to the company of which Roberts was the New York manager. Doherty did this and credit was given him on his account by such company. The evidence is undisputed that Doherty purchased his materials as above stated and fitted them to the carriage wheel. The statements attributed to him are not denied."

Then Judge Warrington, speaking for the Court of Appeals, says:

"Doherty has admittedly been a customer of appellee in the purchase of rubber tires since 1907; and the facts that he purchased a solid rubber tire of appellee and placed it on a wheel and received his pay from one of the appellants as found by the court below are not open to the charge of hearsay and are not disputed." (183 F. 978, 980.)

From these findings of the undisputed facts it is seen that petitioners first "made" a case, and then sued the man—"a small dealer of small means"—whom they paid to help make it—all to try and have a case they

could argue, was different in its "facts" from *Kessler v. Eldred*, hoping thus to establish a precedent under which they could sue our customers indiscriminately, and thus escape the injunction they could foresee would otherwise be granted us under the ruling of this Court as announced in *Kessler v. Eldred*, and as then already foreshadowed in the decision herein of Mr. Justice Lurton, made shortly before his elevation to this Court lost his great services and sincerely admired personality to our own Sixth Circuit. In ruling on a motion herein by us respecting a suit petitioners were then prosecuting against one of the Goodyear Cuban customers, Judge Lurton, speaking the broad principle of our right to enjoin the petitioners from suing our customers, said:

"This court, as a court of equity, having jurisdiction over the persons of the defendants, may control them, by decree in personam, from doing any act within or without the jurisdiction, at home or abroad, by bringing suit or otherwise, which shall be an interference with the right of the complainant to prosecute its business without interference with the defendants by virtue of the Grant patent. *Cole v. Cunningham*, 133 U. S. 107, 10 Sup. Ct. 269, 33 L. Ed. 538; *Penn v. Lord Baltimore*, 1 Vesey, Sr. 444; *Portarlington v. Selby*, 3 Mylne & K. 104, 106; Story, Eq. Jur. Secs. 899, 900." (164 F. 869, 871.)

And Judge Lurton further aptly said:

"That the defendants in this suit are bound by the final judgment in the former suit is not controverted. One effect of that judgment is that, whether that decision was right or wrong, the Goodyear Company is entitled to make and sell rubber tires free from all interference from the defendant companies by virtue of the Grant patent. Another is that defendants, as the defeated parties in that suit, may be enjoined or restrained from interfering

with the business of the successful party by bringing suits based on the same patent against customers of the latter. *Kessler v. Eldred*, 206 U. S. 285, 27 Sup. Ct. 611, 51 L. Ed. 1065." (Ib. 871.)

Thus the motive of petitioners to "arrange" a case with Doherty is apparent. But they are within the condemnation of parties who collude, as pronounced by this Court in—

Lord v. Veazie, 8 How. 251.

Wood Paper Co. v. Heft, 8 Wall. 333, 336.

Gardner v. Goodyear Dental Vulcanite Co.,
131 U. S. 103, or CIII Appendix.

East Tenn. V. & G. R. Co. v. Southern Tel. Co.,
125 U. S. 695.

*South Spring Hill Gold Min. Co. v. Amador
Medean Gold Min. Co.*, 145 U. S. 300.

Mills v. Green, 159 U. S. 651, 654.

Western Electric Co. v. Anthracite Tel. Co.,
100 F. 301, 303.

Middlings Purifier Co. v. Christian, 4 Dillon
448, 455.

Barker v. Todd, 15 F. 265.

Cleveland v. Chamberlain, 1 Black 419.

Marden v. Campbell, Etc., Mfg. Co., 79 F. 582
(C. C. A.).

Hayes v. Leton, 5 F. 521.

De Ver Warner v. Barrett, 7 F. 468.

Adams v. Woolsey, 54 F. 268. (8th C. C. A.)

Little v. Bowers, 134 U. S. 547.

Benner v. Hayes, 80 F. 953. (7th C. C. A.)

The statements in their petition and brief must be viewed in the light of the "undisputed evidence" referred to by Judge Sater.

3. STATUS OF THIS CASE IN LOWER COURTS.
The rulings of the Circuit and Appellate courts, on which this certiorari petition is based, are not final judgments made on proofs regularly adduced by the

examination and cross-examination of witnesses, but are merely *interlocutory orders* made on motion supported by *ex parte* affidavits. What all the ultimate facts may show, and what may be the ultimate scope of the final judgments of both of the lower courts, neither ourselves nor this Court can now know. Indeed, *this case is no longer pending in the Court of Appeals, but is back to the Circuit Court and is pending there awaiting the taking of evidence and final hearing thereon.* So it seems to us this petition is premature, and this Court should not be asked to review interlocutory orders. *Chicago v. Osborne*, 146 U. S. 354; *American v. Jacksonville*, 148 U. S. 372.

4. PETITIONERS AND THE FACTS THEY MADE UP THROUGH DOHERTY. All through their petition and brief, their every essential contention revolves around Doherty having purchased the particular wire and channel iron from parties other than respondents, and this they urge by a sort of inferential argument as ground for nullifying the effect of the final decree of May, 1902, declaring the patent void *as between* these petitioners and respondents (and which decree, on that record, this Court has twice refused to review on certiorari, the last time *after* the Diamond case had, on its record, been ordered up here). But as that decree, on that record, between these parties, left no part of the claims of the patent valid, then it is immaterial, as to respondent's "right to be let alone" (*Kessler v. Eldred*), whether Doherty bought the particular wire and channel, or only the more important part, the rubber, from respondent, because in any case the ultimate effect of suing Doherty is the same, namely, to stop Doherty from buying rubber from the respondent, thus setting up a destructive interference with respondent's rubber tire business, contrary to the law as laid down in *Kessler v. Eldred*, and followed faithfully by the learned courts below.

Respecting these contentions, the Circuit Court in its opinion said:

"The Appellate Court of this circuit having declared the Grant patent void, each and every claim and each and every element of every claim set forth in it must be regarded as conferring no right whatever on the defendants, or either of them, as against the complainant. The Grant letters are not, in consequence of such decree, susceptible of infringement by the complainant, by its device, or by any part or parcel thereof. As against the defendants, the complainant may use its tire, or any part thereof, in such manner as it chooses, because they have no right under the Grant patent which complainant may not freely exercise. The court's decree was a withdrawal from defendants, as against complainant, of all protection and exclusive rights claimed by them under that patent, and unalterably fixed the rights of the parties to this, as well as to that suit.

"Have the defendants, by bringing suit against one of complainant's customers, violated its rights? If they may maintain one suit, they may maintain others, and thus by harassing complainant's customers, diminish its sales, as no one will care to buy complainant's device, or any part of it, if in so doing he buys a lawsuit. The complainant's right is that its customers shall not be disturbed. Its right to use its device as an entirety, or the elements thereof singly, without molestation, would be of little value if its customers may not enjoy the same privilege. If the complainant may vend, or use, the whole or any part of its patented device, as it may do so as against the void patent, regardless of any claims asserted by defendants, it would seem logically to follow that the defendants may be enjoined from interfering with the business of the complainant by bringing suit based on such void patent against complainant's customers, whether the business conducted with those customers is the vending to them of the whole of the pat-

ented tire, or some one or more of the elements which enter into it. *Goodyear Tire & Rubber Co. vs. Rubber Tire Wheel Co.*, 164 Fed. Rep., 869. The rights of the parties, as fixed by final judgment of the Appellate Court of this Circuit, must be recognized by them in every way whenever that judgment is entitled to respect. Having the right to vend its product as an entirety, or in parts, without hindrance from defendants, it is not required to sit idly by witnessing the destruction of its trade with no recourse save an action for damages. Whether the complainant has sold this or that element of the device described in its letters patent with the intent and purpose that such element should be used in combination with other elements covered by the Grant patent, is immaterial, because as against the complainant there is no Grant patent."

This reasoning would seem to be unanswerable; it is focused alike upon the finality of a final decree, and the right under *Kessler v. Eldred* not to be interfered with in one's business by parties bound by such decree. The Court of Appeals expressed the same conclusion, saying:

"In *Kessler v. Eldred*, 206 U. S. 285, 27 Sup. Ct. 611, 51 L. Ed. 1065, the right of a holder of one patent, who had failed in a suit for infringement against the holder of another patent, to maintain an action against a customer of the latter for using one of the latter's patented devices, was passed upon; and one of the controlling features of the decision is that such a suit, if not enjoined, would, in violation of the previous judgment, interfere with the business of the successful party in the original infringement.

"It appears that the appellee in fact both before and at the date of the Grant patent conducted the business, and that it has ever since then main-

tained the business, of manufacturing and selling rubber tires. Manifestly that business, irrespective of the wire and rim trade, must be impaired if the appellants are to be allowed to prosecute suits against appellee's customers for rubber tires.

" . . . The present appellee's right as against appellants to make and sell solid rubber tires, metal rims, and wire was adjudged to be unaffected by the Grant patent because it was invalid and void. The inevitable effect of the final adjudication, as between these parties, was, we think, to restore appellee to the same rights respecting the sale of its tires that it would have possessed had the Grant patent never been issued. To say anything less than this—to say that appellee may sell all the elements of the Grant patent as an entirety but may not sell them separately—is to deny to appellee in regard to a void patent a privilege equivalent to that accorded to a licensee under a valid patent to use less than the whole of the patented device (*Young v. Foerster*, [C. C.], 37 Fed. 203, 204), or to a purchaser of a valid patented device to use as part of it an unpatentable article (*Morgan Envelope Co. v. Albany Paper Co.*, 152 U. S. 425, 433, 14 Sup. Ct. 627, 38 L. Ed. 500). It follows that appellee's right as against appellants to make sales of any or all of the articles comprised in the Grant patent is at last referable to that principle which recognizes an absolute power in every man to dispose of his own property. The sanction then of any result of the former judgment which necessarily hampers and injures the successful party to the suit in the prosecution of its business would be at once illogical and unjust.

"The effort made to escape through the decisions of *Aspden v. Nixon*, 4 How. 467, 11 L. Ed. 1059, and *Birdsell v. Shaliol*, 112 U. S. 485, 5 Sup. Ct. 244, 28 L. Ed. 768, cannot be sustained. Those cases are not analogous. It is manifest that the

elements of the Grant patent and the rights of the parties in respect of each of those elements, as well as the combination, were involved in the issues of the original case in the sense that they were heard and adjudged on their merits; and consequently the subject matter of the former suit and judgment must in accordance with familiar principles be held to have included the subject matter of this suit." (183 F. 978, 982, 983, 984.)

And back of these sound conclusions were the observations of Justice Lurton, quoted above, and interpreting *Kessler v. Eldred*, in the light of much earlier decisions of this Court, which he cites. So we submit that there has been no error made in these interlocutory orders on which this petition is based and prematurely presented, as we believe.

5. ERRORS OF FACT AND FALLACIES OF ARGUMENT IN PETITION AND BRIEF. (Petition, p. 5.) It is said "there seems to be a conflict of opinion" between the Court of Appeals for the Sixth and Second Circuits "as to extending the principle announced in said case of *Kessler v. Eldred*." Yet this point is not directly made or urged in their brief, p. 6. But we perceive no conflict between the rulings of those two courts. In the Second Circuit, the court said, "Inferior courts should be cautious about extending the principle enunciated in that case (*Kessler v. Eldred*) beyond the limits within which it was there applied"; while in the Sixth Circuit, both the lower and upper courts simply applied the doctrine of *Kessler v. Eldred* to a case precisely the same in principle as was the Kessler case. The doctrine was not "extended." It was simply applied and obeyed. When Mr. Justice Lurton wrote the well-considered passages we have quoted above, he did not regard it as "extending" the doctrine of the Eldred decision to enjoin the prosecution of suits brought against customers of manufacturers who held final judgments against the patentees suing such customers. And that was and is

the kind of case involved herein, and to which the Circuit Court and Court of Appeals straightforward applied such doctrine.

But the Court of Appeals in the Second Circuit was not passing on a bill by a manufacturer to enjoin a defeated patentee from interfering with his business and trade by suing his customers. Hence to have applied the doctrine of *Kessler v. Eldred* to that case would have involved the court in an extension of such doctrine. The bills and facts in this Diamond case were wholly unlike the bills and facts in *Kessler v. Eldred*, while the reverse is true as between the case at bar and the *Kessler* case, for in these two causes the averments, purposes, and prayers of the bills are precisely parallel. Indeed the bill in our case was drawn from and patterned after the *Kessler* bill itself. And it will be noted that the opinions of Judge Sater and Judge Warrington would substantially fit the *Kessler-Eldred* case, except that in the one the decree declared the patent void, while in the other it declared the patent unfringed.

So we perceive nothing to support the suggestion of conflict in the two Circuits.

PETITION, p. 6. Here suggestion is made that the injunctive order herein extends to enjoining petitioners from suing any customer of the Rutherford Rubber Company or the Goodrich Company. But that is a perversion of such order. If petitioners think that the Rutherford Company or the Goodrich Company is injuring them in selling the common commodities of wire and channel iron to Doherty or anybody else, they need not sue Goodyear customers who happen to buy wire or channel from these parties (especially Doherty, as he did so at their own request and instigation), but they can shorten their route and remedy very much by simply seeking to enjoin these outside companies from dealing in wire and channel iron for rubber tire purposes. So if they really have a grievance of that kind, and are not merely so arguing for effect, as we

suspect they are, then let them pursue such wire and channel furnishers as the source of their alleged injury, and not molest the customers of the Goodyear Company. As this same attempted point runs through their brief as a sort of stock argument, the observations just made are submitted as disposing of that plea, which we cannot regard as other than specious.

PETITION, p. 7. There suggestion is made that the Goodyear Company has changed from selling the tire complete—rubber, channel, and wire—to the rubber alone. But their statement is misleading. The sworn bill herein states the tires Doherty has been buying “are the same, or substantially the same, as your orator’s tires involved in said former suit when said alleged patent was adjudicated to be void.” (Rec., middle of page 5, paragraph 5.)

As to this matter, the Court of Appeals said:

“It is manifest that the elements of the Grant patent and the rights of the parties in respect of each of those elements, as well as the combination, were involved in the issues of the original case in the sense that they were heard and adjudged on their merits; and consequently the subject-matter of the former suit and judgment must in accordance with familiar principles be held to have included the subject-matter of this suit.” 183 F. 978, 983 (bottom), 984 (top).

PETITION, p. 7, AND BRIEF, p. 5. Here reference is made to an old license contract. The contract related to a temporary license such manufacturers and complainant took for one year, August, 1903, to August, 1904. Apparently this is brought forward to try and show some waiver on the part of the appellee of its rights under the decree of May 6, 1902. But the agreement specifically avoids any such consequences, if such consequences could be said to follow from it (which clearly it could not), by, in direct terms, reserving all legal rights and the then legal status of all the parties.

And touching this, the Court of Appeals says:

"In respect to the license agreement, it is sufficient to say that it was entered into expressly without prejudice to the rights of any of the parties in August, 1903, for one year, and was neither renewed nor observed thereafter. If the agreement was not invalid on its face, which we do not decide, we are unable to see how anything done in pursuance of it could as claimed estop appellee from insisting upon the observance of the right adjudged in its favor in the former suit." (183 F. 984.)

BRIEF, p. 2. Here it says the Grant patent was sustained in the Diamond case (220 U. S. 428.) But that matter is not an issue here; the decree on which respondent's rights rest was rendered some nine years before the Diamond case reached this Court; and certiorari petitions to review that decree were twice denied before such Diamond decision was made on the patent; the facts in the Goodyear and Diamond cases were different, while the Goodyear Company was also in nowise connected with the Diamond case. So all reference to the subsequent fate of the patent would seem to be outside of what is *now* before the Court.

Reference is also made (same p. of brief) to alleged affidavits filed by petitioners to the effect that the Banner Buggy Company was not a customer of respondent. The statement is wrong and the affidavits *are not in the record*. But petitioners' answer is in the record (p. 28) and the statement was that they did not sue the Banner Company "as customers of complainant herein," or for "any rubber tire manufactured and sold by complainant." (4th paragraph, p. 29.) That was why no further steps were then taken. So the present brief and the former answer of petitioners do not agree on this point.

BRIEF, p. 6. Suggestion is made of the nature of Doherty's alleged infringing act. It is said to have consisted "in organizing" the parts—not in selling a

product. But there is no process claim in the patent or claim for the act of "organizing"; and if there were, whatever Doherty did he did at the request and direction of petitioners, and they paid him \$20 for doing it. Moreover, Doherty's acts are not here for review, but only the conduct of petitioners and their efforts to stifle respondent's trade in derogation of the old decree of May, 1902.

BRIEF, p. 6. Here it is said the lower courts misapplied the law as given in *Kessler v. Eldred* to the facts peculiar to this case. The special peculiarity disclosed in this record grows out of the collusive transactions pointed out *supra*. A feature of those transactions is that Doherty bought, at the petitioners' request, wire from one party and channel iron from another. But the record also shows that Doherty bought wire, too, from respondent. Affidavit and bill of sale by Mr. Measure. (Rec., 37, 38.)

BRIEF, p. 7. It is said this petition gives this Court the opportunity to consider to what limits courts may carry the principle of the Kessler case. But must this Court *twice* decide a thing to *settle* it?

It is also said that the facts herein and in the Kessler suit are different. But they differ only as shades and not as colors; and do not differ in effect, or as affecting the Goodyear Company precisely as Kessler was affected. All through their argument, petitioners' counsel ignore or avoid the one central, common fact—in trade brought about in precisely the same way in each case—namely, the act of the defeated party in the former suit suing the customers of the successful party in disregard of the rights finally adjudicated by the original decree. We perceive no difference in principle between our case and the Kessler case, and the two learned courts below, like Judge Lurton in the quoted portions of his opinion, *supra*, took the same view and so held. It is of no consequence that in *Kessler v. Eldred* the customer received the article ready for use, while in the case at bar the customer receives one or more of the parts ready to put together, because in either transaction the manufac-

turer who had formerly defeated the patent sells to his customer, and it is this right to sell that is to be protected; and it is protected in both cases by exactly the same procedure—an injunction restraining the holders of the patent from interfering with this commercial transaction after they can no longer sue the manufacturing seller. Or, as well said in Judge Warrington's opinion written for the Circuit Court of Appeals:

"As it seems to us, counsel refuse to accord due effect to the main feature of the bill. It is injury to appellee's business, through interference with its customers, that is made the subject of complaint."

Again, in opposing our motion, as well as on appeal, petitioners conceded our right to the injunction if only all three of the parts of the tire were bought from us. This is what Judge Warrington refers to by "the concessions of counsel," in the paragraph of the opinion from which we have just quoted. They now, and then also, ignored the fact that Doherty had also bought wire from respondent before the record was closed on the motion. This brings us to again say, incidentally in this connection, that the petition is here *before* the *final* case has been *made* by the parties.

It was urged on the Circuit Court of Appeals, as now urged here, that the Kessler case is to be distinguished from this one, but the court said "Nor are we able to understand why the principles announced in that decision are not in point here." "It is plain," says the opinion—plain, not uncertain, "that Kessler did not gain any more freedom through the result of Eldred's infringement suit to manufacture and sell the Kessler device, than the Goodyear Company acquired respecting the Grant device in its original suit with the present appellants. Can it be that such freedom as to the whole device does not include its parts as well separately as collectively? Why, as between the parties to the present suit, did not the former judgment operate to remove the

ban of the Grant patent from each of its elements, and also to destroy all right to the combination of those elements." (183 F. 982.)

BRIEF, p. 10. Here again the statement is made that the injunction herein in effect enjoins petitioners from pursuing the Rutherford Company and the Goodrich Company. Pursuing them for what? For selling the wire and channel to Doherty, whom they told to buy from them; for there is no claim or showing that Doherty ever bought any other wire or channel from these parties. This is mere sophistry. Certainly it is not argument to submit to this Court. Nor does the order prevent them from suing Rutherford and Goodrich. We have before alluded to this matter.

Going on in the same strain, the brief on the same page supposes a case of respondent trying to "license," as they say, the Diamond Company by "selling it wires." But it would seem time enough to decide such supposititious case when and *after* it has arisen and a record is presented. It is enough to say, if the matter is one of illustration, that the rights of the petitioners in their relations to the Diamond Company are already "unalterably" fixed and determined by the judgment of this Court in the Diamond suit, so that no act, real or supposed, of respondent, can undo those relations. The rights of petitioners and the Diamond Company are fixed by one decree—those of this respondent and the petitioners are fixed by another, different and much older decree, and there is no merit in ignoring the Diamond decree and offering an absurd and impossible application of the injunctive order herein.

BRIEF, p. 11. Here a question is advanced as to whether a customer of respondent would have been bound had the decree of May, 1902, been against and not for respondent. As said by this Court in the Kessler case, so we say of this case, the record herein does not present such a question, as the customer is not present making any claims—the whole matter being confined to the effect of the old decree between the parties to it. No

question of privity is presented or involved. But it is interesting to note that the Court of Appeals for the Ninth Circuit twice held, before the Kessler case ever arose, that as between a manufacturer and his customer the relation of privity existed as to articles the customer purchased from him. *Norton v. San Jose Fruit Packing Co.*, 79 F. 793, Circuit Court of Appeals, Ninth Circuit, 83 F. 512, and by Judge Kohlsaat in *Warren Featherbone Co. v. De Camp*, 154 F. 198, based on the earlier decision of Judge Drummond to that effect in *Lea v. Deakin*, 15 Fed. Cas. p. 95, No. 8, 154. And this relation exists between Doherty and the Goodyear Company because he is their customer.

BRIEF, p. 12. Here it goes so far as to say the decree of the Circuit Court of Appeals for the Sixth Circuit was "an erroneous decree." That is going further than this Court went in commenting on that decision in the Diamond opinion. But that decree was not erroneous, and no man has the right to say so on the record in the case. Two present members of this Court joined in the opinion, with third member, the Court being unanimous; and this Court has, as already observed, twice refused certiorari petitions to bring that judgment here for review. So counsel exhibit more temerity than accuracy or good taste in assuming to indict that decree as "erroneous." The opinion itself, by Mr. Justice Lurton, is one of the best stated and best worked-out patent opinions reported in the last decade; and if defendant's proof on the theory that the Grant tire tips in the channel iron and reseats itself had been what it should have been in the Diamond case, no different conclusion on that record would have resulted than resulted on the Goodyear record in the Court of Appeals for the Sixth Circuit. But the records were different.

In concluding, at p. 12, the brief offers an unreasonable interpretation of the rule as to material and immaterial elements of patent claims, or seems to purposely overlook the real conceded fact that these are *rubber manufacturing* factories and their product rubber com-

pounded for tire uses, and, therefore, and unavoidably, the main element of the tires so far as their actual business and all this litigation are concerned is, has always been and will continue to be the rubber *per se*. And no one need or can be misled by the petitioners' counsel's repeated reference to the common commodities of channel and wire. The opinions of the lower courts have merely referred to the right of the Goodyear Company to deal in one, either, or all of the elements of the tire to illustrate the rights acquired under the decree of May, 1902, but everybody knows full well that the rubber is the essential commercial thing dealt in, and it is useless now, as it was in the courts below, for petitioners to rant about wires and channels being, in this case, on an equal footing with the important and far most costly part, the rubber, and then to draw imaginary cases based on rubber companies selling merely wire or channel iron, without mills to make either.

Brief, p. 13, asks for a "final day" in court on these issues. But it is difficult to see how a "final day" is to be had on an interlocutory ruling, with the final hearing yet to be had in the Circuit Court and yet in the Court of Appeals.

We submit no case has been made for the allowance of the writ of certiorari; that there is no error in the rulings below, and that even so, the petition is premature.

Respectfully,

H. A. TOULMIN,

Counsel for Respondent.

September, 1911.





Supreme Court of the United States.

OCTOBER TERM, 1912.

No. 311.

**RUBBER TIRE WHEEL COMPANY
AND
CONSOLIDATED RUBBER TIRE COMPANY,
DEFENDANTS, PETITIONERS,
v.
GOODYEAR TIRE & RUBBER COMPANY,
COMPLAINANTS.**

**ON WRIT OF CERTIORARI TO THE UNITED STATES
CIRCUIT COURT OF APPEALS FOR THE SIXTH CIRCUIT.**

BRIEF FOR THE DEFENDANTS, PETITIONERS.

STATEMENT OF THE CASE.

This suit was begun by a bill in equity filed by the Goodyear Tire & Rubber Company in the Southern District of Ohio, Western Division, August 23, 1907. (Rec. pp. 1-7.)

In this suit a preliminary injunction was granted by the Circuit Court of the United States for the Southern District of Ohio against the petitioners enjoining them from proceeding with a suit which they had brought against

one Doherty for the alleged infringement of Grant patent No. 554,675 dated February 18, 1896.

The bill of complaint sets out the fact that the complainant, the Goodyear Company, had been sued in the Circuit Court of the United States for the Northern District of Ohio for the infringement of the Grant patent and that after the Circuit Court had adjudged the patent valid and infringed, the Circuit Court of Appeals for the Sixth Circuit held the patent invalid and entered a decree dismissing the bill of complaint.

The bill herein further alleges that the defendants had thereafter brought suits on the patent against certain customers of the Goodyear Company thereby injuring the business of that company and prayed for an injunction perpetually restraining the defendants (your petitioners) from "bringing any suit or suits against anyone in the United States for alleged infringement of said alleged patent to Arthur W. Grant, No. 554,675, dated February 18, 1896, by reason of the purchase, use or sale of any of said solid rubber tires manufactured by and purchased from your orator, and that your orator may have such other and further relief as the equity of the case may require".

Because of failure of proof, no relief was granted as to the Banner Buggy Company or Russell E. Gardner or H. F. Manning of Havana, Cuba, named in the bill (as amended) as customers of the Goodyear Company against whom proceedings had been instituted by your petitioners on the Grant patent. It was proved, however, that a suit had been brought against one John Doherty by your petitioners because of the manufacture by said Doherty of a rubber-tired wheel infringing the Grant patent.

The proof against Doherty appears in the record, pages 23-30; 32-37. It is there shown that Doherty was in the business of making rubber-tired wheels and that in his manufacture he purchased from the Goodyear Company

the rubber portion of the rubber-tired wheel but nothing else. He purchased the wire, which is the second element of the patented combination, from the B. F. Goodrich Company, and the tire channel, the third element of the patented combination, from the Rutherford Rubber Company. He himself combined these three elements into a rubber-tired wheel having a structure infringing the Grant patent and thereby was the manufacturer of an infringing wheel.

The ground for relief relied upon in this case was that under the decision in *Kessler v. Eldred*, 206 U. S. 285, customers of the Goodyear Company who bought from it rubber-tired wheels were not liable to suit on the Grant patent and the Goodyear Company contends in this suit that as it had sold to Doherty one element (the rubber strip) of the patented combination made by him in infringement of the patent he was just as much protected against suit on the patent as he would have been if he had bought the entire combination from the Goodyear Company.

On motion for preliminary injunction in the case at bar Judge Sater enjoined (Rec. p. 41) the defendants from prosecuting the suit against John Doherty on the Grant patent and from —

“prosecuting any action in any court of the United States based on alleged infringement of Letters Patent No. 554,675, issued February, 1896, to one A. W. Grant, against any person, firm or corporation for dealing in, buying or selling or using any of complainant's solid rubber tires or any of the combined parts thereof.”

From this decree the defendants herein appealed to the United States Circuit Court of Appeals for the Sixth Circuit which court by an opinion filed December 15, 1910

(Rec. p. 49), by Warrington, J., affirmed the preliminary injunction as to Doherty, but reversed the order as to the other customers of the Goodyear Company.

The defendants' petition to this court raises, therefore, only the question as to the Goodyear Company's right to enjoin the defendants from prosecuting their suit against Doherty.

It will be remembered that this court in the case of *Diamond Rubber Company of New York v. Consolidated Rubber Tire Company*, 220 U. S. 428, sustained and held infringing this Grant patent on *certiorari* to the Circuit Court of Appeals for the Second Circuit.

The question involved in this case and before this court may be stated as follows : —

Has the Goodyear Company, against whom the defendants brought suit on the Grant patent in the Sixth Circuit, in which suit it was decreed that the Grant patent was null and void, the right to enjoin the owners of this patent from suing in the Second Circuit a person who makes a rubber-tired wheel, which is an infringement of the Grant patent, with a piece of rubber purchased from the Goodyear Company and designed to be used for that purpose, and with a channel and with wires purchased from third parties, who are not licensees under the Grant patent and who are not in privity with the Goodyear Company or with any other person in whose favor a decree has been entered that the Grant patent is null and void? Is the maker of such a wheel protected by the decree in the Goodyear case when he acquired one element only of the patented combination from the Goodyear Company, he himself being the one who does the infringing act of making the combination, as he would be if he bought the entire patented combination from the Goodyear Company?

THE GRANT PATENT.

The Grant patent was before this court in *Diamond Rubber Company v. Consolidated Rubber Tire Company*, 220 U.S. 428, and was held valid and infringed. The patent is fully described in the opinion of Justice McKenna in that case, and therefore, a brief description here will be sufficient.

On its face the patent was granted for a Rubber-Tired Wheel". Each of the two claims of the patent is for a "vehicle wheel having" the combination of three elements, — namely, (1) a rim or channel of a peculiar shape, (2) a rubber tire of a peculiar shape associated in a particular way with the channel and its shape, and (3) two retaining wires passing through the rubber tire and placed in a particular position with reference to the rubber and to the channel. A fourth element in the second claim is a canvas strip on the bottom of the rubber.

The channel is defined as having "tapered or inclined sides" or flanges.

The rubber tire is defined as having an "inner portion" adapted to fit the channel and an "outer portion" having "sides at an angle to the inner portion". A necessary characteristic is that "the angle or corner between the outer and inner portions" shall be "within the outer periphery of the flanges" of the channel.

The two retaining wires are characterized as being "independent" and being passed "through the inner portions of the tire" and being located within the outer peripheries of the flanges" of the channel.

The rubber-tired wheel, therefore, of the Grant patent is a combination of peculiarly shaped and correlated elements — the channel, the rubber tire and the wires — the parts of each element having a particular and definite relation to the parts of the other elements, the whole

making an integral rubber-tired wheel having very specific and definite characteristics.

The two claims of the Grant patent are as follows:—

“1. A vehicle-wheel having a metallic rim with angularly-projecting flanges to form a channel or groove with tapered or inclined sides, a rubber tire, the inner portion of which is adapted to fit in said groove or channel and the outer portion having sides at an angle to the inner portion, the angle or corner between the outer and inner portions being located within the outer periphery of the flanges, and independent retaining-wires passing entirely through the inner portions of said tire and also within the outer peripheries of the flanges, substantially as described.

“2. A vehicle-wheel having a metallic rim with outwardly-projecting flanges at an angle to the plane of said wheel so as to form a channel or groove having tapered or inclined sides, a rubber tire, the inner portion of which is adapted to fit in said tapered groove or channel, and the outer or exposed portions formed at an angle thereto, the angle or corner between the said portions being placed within the outer periphery of said flanges, openings extending entirely through the unexposed portion of said tire, and independent retaining-wires in said openings, and a reinforcing-strip of fibrous material placed at the bottom of said tire and wholly within said flanges, substantially as specified.”

Concerning these claims this court said in the *Diamond Rubber Co. v. Consolidated Rubber Co.* case (p. 431):—

“It will be observed that the tire is composed of three elements: First, the channel or groove with tapered or inclined sides; second, the rubber tire

adapted to fit into the channel or groove, and shaped as described; third, the fastening device, that is, the independent retaining wires located as indicated."

Concerning the co-operation of the elements of Grant's rubber-tired wheel this court said in the same case (p. 443):—

"And it is the result of something more than each element acting separately. It is not the result alone of the iron channel with diverging sides, nor alone of the retaining bands or the rubber. They each have uses and perform them to an end different from the effect of either, and they must have been designed to such end, contrived to exactly produce it. There can be no other deduction from their careful relation. The adaptation of the rubber to the flaring channel, the shape of that permitting lateral movement and compression, the retaining band, holding and yielding, placed in such precise adjustment and correlation with the other parts, producing a tire that 'when compressed and bent sidewise shall not escape from the channel and shall not be cut on the flange of the channel', and shall 'be mobile in the channel'."

In the Grant patented rubber-tired wheel, therefore, there was a new and patentable structure, the novelty and patentability of which did not depend upon the novelty and patentability of the separate elements making up that structure, but upon their co-operation and combination in the manner described.

The rubber-tired wheel of Grant was just as much a new thing in and of itself as a new chemical combination or as was the new Nicholson pavement involved in the case of *Elizabeth v. Pavement Co.*, 97 U.S. 126, concerning which this court said (p. 141):—

"The Nicholson pavement was a complete thing, consisting of a certain combination of elements."

This is exactly true of the Grant rubber-tired wheel.

THE ISSUE IN THIS CASE.

The defendants, the owners of the Grant patent, sued John Doherty for infringing the Grant patent because he made a rubber-tired wheel in exact accordance with the Grant patent. Doherty made this wheel by combining a channel brought from the Rutherford Company, wires bought from the B. F. Goodrich Company and a rubber strip bought from the Goodyear Company. Neither the Goodrich Company nor the Rutherford Company were licensees under the Grant patent or protected by any decree holding that patent invalid or not infringed.

The Goodyear Company claims that Doherty had the right to make rubber-tired wheels infringing the Grant patent because he bought the rubber used by him from the Goodyear Company after a decree had been entered in the suit on the patent in the Sixth Circuit against the Goodyear Company declaring the Grant patent null and void in favor of that company, although he bought the other elements of the patented combination from others who were not protected against the Grant patent, and himself committed the entire act of infringement, namely, the making of the infringing wheel. The Goodyear Company relies upon the case of *Kessler v. Eldred*, 206 U. S. 285, in which this Court held that Kessler, a manufacturer of an electric cigar lighter who had successfully defended a suit against a patent in which a specific form of cigar lighter was alleged to infringe, could enjoin the patentee from bringing suits against his customers for selling that specific cigar lighter made by him.

Our position is that the case of *Kessler v. Eldred*, in-

volves no such proposition as that for which the complainant now contends, but that to enjoin these defendants, the owners of the Grant patent, from prosecuting their suit against Doherty would be a manifest perversion of the equitable principle of trade protection set forth in *Kessler v. Eldred*, and would be contrary to the justice and spirit of the Patent Laws.

The Grant patent has been declared by this Court to be a good and valid patent, and the structure which Doherty made from the Rutherford channel, the Goodrich wires and the Goodyear rubber is conceded to be an infringement.

The Grant patent as a result of the decree of this Court would be conceded by every court in the country, including the courts of the Sixth and Seventh Circuits, to be a good and valid patent and your petitioner's rights under this patent are to exclude everyone from making, using and selling the rubber-tired wheel covered by the patent.

It must be conceded in view of the opinion of this Court that the decrees of the courts of the Sixth and Seventh Circuits, that the Grant patent is null and void in the cases against the Goodyear Company and others, were wrong and unjust to the owners of the patent, and that these decrees wrongfully have deprived the owners of the Grant patent of a large part of the value of their patent and have injured them irretrievably and deprived them of their exclusive rights to which they were entitled.

It cannot be the law that this situation of injustice and deprivation of just rights under their patent will be extended and magnified by this Court so that the Goodyear Company can not only make and sell rubber-tired wheels embodying Grant's invention, but it can, simply by the sale of a rubber strip or wires or channels or any other single element of the patented combination in effect license all other manufacturers of rubber-tired wheels in

the United States to make Grant tires provided they use the rubber, or some other element of the combination, acquired from by the Goodyear Company. This would be an unwarrantable extension of the immunity of the Goodyear Company created by decree of the court of the Sixth Circuit, to other unlicensed manufacturers.

Doherty infringed the Grant patent when he made a rubber-tired wheel. The Goodyear Company did not make a Grant wheel when it made and sold Doherty the rubber which he used. If Doherty had used the rubber for another purpose or had sent it to Canada to be made into a rubber-tired wheel the Goodyear Company would not even have been a contributory infringer because it would not have acted with Doherty to infringe the patent. *Bullock Co. v. Westinghouse*, 129 Fed. 105. If the Goodyear Company had sold the rubber to Doherty knowing and intending that he was to use it in making up a Grant rubber-tired wheel, and he did so use it, then the Goodyear Company would have been a contributory infringer and liable as such except for the decree which protects it from suit. *Thomson-Houston Co. v. Ohio Brass Co.*, 80 Fed. 712, 721.

The defendants, the owners of the Grant patent, could sue the Rutherford Company for supplying the channel used by Doherty, and they could sue the Goodrich Company for supplying the wire used by Doherty; the Rutherford Company and the Goodrich Company were contributory infringers because they knowingly and independently assisted Doherty to infringe the Grant patent.

Can it be for a moment contended that the immunity of the Goodyear Company extends to the manufacturers of channels and wire used in making the infringing tire with the rubber supplied by the Goodyear Company? Such a result is shocking in its injustice and yet that is the logical result of the complainant's contention in this case.

The decree of the court in the Sixth Circuit permits the Goodyear Company to make, use and sell rubber-tired wheels without danger of suit under the Grant patent, and the case of *Kessler v. Eldred* permits it to obtain the same immunity for the sellers and users of the *rubber-tired wheels* made and sold by the Goodyear Company; but that decree did not give the Goodyear Company the right to assign to other wheel manufacturers and dealers in the United States any right to make rubber-tired wheels infringing of the Grant patent, nor did it give the right to manufacturers of channels and manufacturers of wire to assist wheel manufacturers in making Grant wheels simply because the rubber used was furnished by the Goodyear Company.

The rights which the complainant asks this Court to secure to it are far in excess of the rights granted to it under the decree in question and would extend the immunity granted it by the decree to a host of other persons and concerns who are not in privity with the decree, and who are not using or selling rubber-tired wheels made by the Goodyear Company.

Doherty in the specific case at bar is not protected by the decree in favor of the Goodyear Company because he is not in privity with the Goodyear Company, who alone is a party to the decree relied on. It is only in favor of the Goodyear Company, not of Doherty, that the estoppel raised by the decree runs. *Reed v. Proprietors*, 8 How. 274; *Aspden v. Nixon*, 4 How. 467; *Birdsell v. Shaliol*, 112 U. S. 485; *Russell v. Place*, 94 U. S. 606.

Doherty is not protected under the doctrine of trade protection set forth in the case of *Kessler v. Eldred* because he is not selling rubber tired wheels made by the Goodyear Company. On the contrary, Doherty is making a rubber-tired wheel which is an infringement of

the Grant patent and he has no valid defence against or license under that patent.

It has been said that the Goodyear Company is in the position of a licensee under the Grant patent, having the right to make, use and sell the rubber-tired wheel of the Grant patent. If such is the legal status of the Goodyear Company it follows that Doherty is not protected by the license. The Goodyear Company could not assign its license to Doherty, and there is no pretense that Doherty was acting as the agent of the Goodyear Company. He was an independent individual manufacturing the rubber-tired wheel on his own responsibility, for his own profit and on his own machinery at his own expense. The Goodyear Company could not assign its license to him, as is well settled.

Hapgood v. Hewitt, 119 U. S. 226, 234.

Troy Iron & Nail Factory v. Corning, 14 How. 205, 216.

Oliver v. Rumford Works, 109 U. S. 75, 83.

Bowers v. Lake Superior Co., 149 Fed. 983, 986.

ANALOGY WITH INFRINGEMENT BY RECONSTRUCTION.

The situation arising in this case bears a close analogy to infringement by the reconstruction of a patented article, a part of which has worn out by its intended use. The purchaser of a patented article, such for example as a Grant rubber-tired wheel, has the right to use it until it is worn out, but has no right to reconstruct it,—that is, if he used a Grant tire until the rubber was entirely worn out he would have no right to make a new tire by taking off the worn-out rubber and replacing it with a new rubber. Such a reconstruction would be plainly the making of a new tire and an infringement of the Grant patent, as is thoroughly settled.

National Cash Register Co. v. Grobet, 153 Fed. 905, C. C. A. 2d.

American Cotton Tie Co. v. Simmons, 106 U. S. 89.

Davis v. Edison Co., 60 Fed. 276, C. C. A. 1st.

Thomson-Houston Co. v. Kelsey, 75 Fed. 1005, C. C. A. 1st.

Goodyear Co. v. Jackson, 112 Fed. 146, C. C. A. 1st.

Shickle v. St. Louis Co., 77 Fed. 739, C. C. A. 8th.

Yet such an user in re-employing some of the elements of the old wheel, as the channel and the wires perhaps, would be using elements of the device which by his purchase of the wheel in the first instance had passed out of the monopoly of the patent when used as long as the combination, in which it was incorporated, lasted; just as the rubber made by the Goodyear Company might be said to be outside of the monopoly of the patent if used in a complete Grant wheel made by the Goodyear Company.

The cases above cited stand for the well-settled proposition that no one has a right to reconstruct a patented device even if some of its elements are entirely intact. In other words, the fact that because certain elements of the device have once paid tribute to the patentee as part of a complete thing which passed beyond the monopoly of the patent, that does not give their owner the right to recombine them with other new elements of the patented structure into an infringement.

In the case at bar, even if the Goodyear Company had the right to sell the rubber element of the combination because of its decree, the Rutherford Company and the Goodrich Company had no right to sell to Doherty, the channel and the wires, — the other elements of the combination — with the intention to enable Doherty to make an infringing wheel, nor did Doherty have the right to

make the complete rubber-tired wheel. Each person and concern must stand on its own rights. The infringing wheel was made by Doherty and not by the Goodyear Company.

Moreover, the rubber made by the Goodyear Company could be used in a rubber-tired wheel without infringing the Grant patent. One of the essential characteristics of the Grant structure is that the rubber shall have a capacity to creep or move in the channel and shall not be held therein by cement. Anybody can take the rubber made by the Goodyear Company and cement it into a channel and so obtain a rubber-tired wheel which would not infringe the Grant patent.

There is no force in the argument that the rubber made by the Goodyear Company could be used only in Grant wheels.

Nor is it true that the rubber is an any more vital element in the Grant rubber-tired wheel than is the channel or the wires. The channel must be of a certain shape; its sides must be flaring and they must be of such a length as not to extend beyond the angle between the two portions of the rubber. The wires also must be situated in the tire within the peripheries of the flanges of the channel. It is, therefore, a fact that the characteristics of the channel, its flanges and of the wires and also their relation to one another as well as the characteristics of the rubber and its relation to the channel and wires are all vital elements of the Grant patent. No one of these characteristics can be omitted without destroying the Grant structure. These parts are fully as vital as the rubber.

**COMPLAINANT'S CONTENTION LEADS TO AN
ABSURDITY.**

Complainant's contention in this case is well expressed in the following statement taken from its brief in the Court of Appeals:—

"So in this case the rubber, which the Goodyear Company sells to Doherty, has been freed from the monopoly of the patent—freed by judicial decree. Therefore, Doherty who purchased this rubber from such lawful source has the right to combine therewith his wire and channel iron, which he manufactures into endless bands with united ends, respectively, from long lengths of straight channel bars and bundles of wire."

If the complainant's conclusion followed from its premise, the result would be an absurdity, and practically nullify the patentee's rights all over the United States, not only with respect to the Goodyear Company's rubber-tired wheels, but with respect to every wheel manufacturer or user who could trace one of the elements of the combination to the Goodyear Company.

The Goodyear Company might as well sell the wire to wheel manufacturers and then assert that they were its customers and therefore entitled to make infringing Grant wheels. The wire is as much an element in Grant's combination as is the rubber.

This is a result entirely beyond the contemplation of the case of *Kessler v. Eldred*. No such license to others to infringe the Grant patent is in the least degree necessary to protect the Goodyear Company in its right not to have its business in manufacturing and selling Grant rubber-tired wheels interfered with. As long as it manufactures and sells rubber-tired wheels it may do so, but

the sale of it by one element of Grant's combination does not carry with it to everybody else the right to make rubber-tired wheels with that element.

Take a case of the chemical combination of chemical A, chemical B and chemical C. Each one of these chemicals being well known and not covered by a patent, each one is free of any patent monopoly and yet the three chemicals when brought together co-act upon one another and form a new substance which is patentable. Each one of these chemicals can be purchased in the open market by anyone. Yet freedom to purchase individual chemicals does not give the purchaser the right to combine them into an infringing product. It could make no difference in principle whether a seller of one of these chemicals had obtained a decree to the effect that the patent was null and void, his customer who purchased one of these chemicals from him would obtain no more right to infringe the patent than he would if he purchased the same chemical from a third party.

In each and every case the purchaser of the element derives no right to infringe the patent because of the immunity of its seller as to the whole combination.

The successful litigant in whose favor the patent was decreed null and void may carry on his business in manufacturing and selling the patented article without interference from the patentee and his customers to whom he sells the patented article may deal in it freely, and thus his trade is fully protected. This right we concede to the Goodyear Company; but the Goodyear Company's business in manufacturing and selling Grant rubber-tired wheels is not interfered with by the defendants' rights as owners of the Grant patent to enjoin all other persons dealing in rubber-tired wheels, which are not made by the Goodyear Company, from manufacturing and selling infringing wheels.

Complainant's contention is illogical and would be productive of the grossest injustice.

KESSLER v. ELDERED (206 U. S. 285).

In *Kessler v. Eldred*, Kessler's right resulting from the decree that his cigar lighter was not an infringement of Eldred's patent is defined by this court as follows (p. 289) :—

"It is Kessler's right that those customers should, in respect of the articles before the court in the previous judgment, be let alone by Eldred, and it is Eldred's duty to let them alone."

This right of Kessler was his own and not that of his customers. It is not contended or stated in *Kessler v. Eldred* that Kessler's customers were in privity with him. The contentions to this effect made by the complainant herein are plainly unsound.

Kessler's sole right was not to have his trade interfered with in the articles decreed not to infringe. He was given no right, however, to authorize others to *make* infringing cigar lighters. His right was a purely personal one and unassignable. No one contended that Kessler, by supplying a spring of the right kind to cigar cutter manufacturers throughout the United States had the right to prevent interference with these persons' manufacture of infringing cigar lighters embodying that spring. Kessler's right to his own trade was not held to be a cloak to protect other manufacturers of cigar lighters.

We submit that no such right existed in Kessler, certainly none was given him by this Court, and no such right exists in the Goodyear Company, the complainant. Let the Goodyear Company make all the rubber-tired wheels that it pleases in accordance with the Grant patent and these complainants are estopped by the decree from

suing them, and the Goodyear Company has as to those wheels the right to prevent these defendants from stopping their sale and use, in whose-ever hands they may be. But under the patent laws these defendants have the right to prevent all other persons from *making*, using and selling Grant rubber-tired wheels.

Doherty made such a wheel. He did not buy it of the Goodyear Company. It was not made by that company, and that company's right to prevent interference with its business in Grant rubber-tired wheels would not be interfered with if Doherty were enjoined from the further manufacture of wheels so made by him.

If the Goodyear Company simply sold the wire, it could argue, equally as well as it does now, that an injunction restraining Doherty from using this wire in the manufacture of Grant rubber-tired wheels was an interference with its business in selling wire. The argument goes too far. Anyone can sell wire. An injunction restraining anybody from infringing the Grant patent interferes with somebody's right to sell wire. It is against the use of this wire in making up the combination of the Grant rubber-tired wheel that the patent grants the exclusive right.

The Goodyear Company in selling wire, channels or rubber is in no different position from any other person selling such articles. It does not make the Grant rubber-tired wheel, it does not sell it, and its trade in Grant wheels is not interfered with because third parties may be enjoined from making Grant tires with one of these elements sold by the Goodyear Company.

We submit that the case at bar is clearly distinguished from that of *Kessler v. Eldred*.

THE OPINION OF THE CIRCUIT COURT OF APPEALS.

The opinion of the Circuit Court of Appeals, 183 Fed. 978, affirming the injunction restraining the defendants from prosecuting their suit against Doherty appears to us to be based on a misunderstanding of the case of *Kessler v. Eldred*. As we have above pointed out, the doctrine of that case does not depend upon the freedom of the Goodyear Company or anybody else to make an element of Grant's combination, but upon the right of a manufacturer, who has successfully defended a patent suit, to enjoin the patentee from interfering with his trade in the specific articles involved in that suit. The right to free trade in Grant rubber-tired wheels made by it is the only right that the Goodyear Company acquired under its decree.

The Court of Appeals says:—

"The inevitable effect of the final adjudication, as between these parties, was, we think, to restore appellee (the Goodyear Co.) to the same rights respecting the sales of its tires that it would have possessed had the Grant patent never been issued."

Even conceding that this is true, the decree only gives the Goodyear Company a license under the Grant patent, and does not give a license to anybody else; for example, Doherty.

The Court of Appeals then says:—

"To say that appellee (the Goodyear Co.), may sell all the elements of the Grant patent as an entirety but may not sell them separately is to deny to appellee in regard to a void patent a privilege equivalent to that accorded to a licensee under a valid patent to use less than the whole of the patented device. (*Young v. Foerster*, [C. C.] 37 Fed. 203-204), or to a purchaser

of a valid patented device to use as part of it an unpatentable article. (*Morgan Envelope Co. v. Albany Paper Co.*, 152 U. S. 425-433.")

Here the court indulges in a plain *non-sequitur*.

It may be true that a licensee under a patent may use less than the whole of the patented device, but this does not give an independent manufacturer who buys of him one of the elements of the patented device the right to combine that element with the other elements into an entirety.

We know of no case, and we believe there is none in the books, where a licensee under a license to make and sell a patented article has been held to extend his license by selling one of the elements of the patented article to independent manufacturers, and thereby to license them to make and sell the patented article. If a licensee did this, he would be clearly acting outside of his license to make and sell, and even if his license protected him from suit as a contributory infringer in supplying one of the elements of the patented device to an independent manufacturer, his license would not protect that independent manufacturer from his own infringement.

Young v. Foerster was a case holding that a purchaser had a right to repair a patented machine and replace such parts as would be broken or worn out in the ordinary use of the machine.

The Morgan Envelope case decided that the user of a patented article, one element of which was intended to be used up, had the right to replace that element as it was worn out.

These cases have nothing to do with the situation arising in the case at bar, where Doherty is making an entirely new rubber-tired wheel, and where there is no question of repairing an old machine, nor of supplying an old machine with parts which are used up in its normal use.

In connection with the complainant's contention that defendants be enjoined from suing Doherty, it is an interesting and significant fact that the Goodyear Company has, since the decree in its favor on the Grant patent, made an agreement with the defendants by which it is licensed under the patent and agrees to pay royalties, and by which agreement the defendants are obliged to sue infringers. (Rec. p. 17.)

CONCLUSION.

In conclusion, we respectfully submit that as against Doherty the Grant patent is a good and valid patent, that Doherty is not in privity with the Goodyear Company under the decree relied upon, that Doherty being an independent manufacturer of an infringing rubber-tired wheel, is responsible for his own infringement, and that the doctrine of *Kessler v. Eldred*, which would protect the Goodyear Company in the sale of rubber-tire wheels manufactured by it, does not secure Doherty immunity from suit on the Grant patent, simply because in the rubber-tire wheel manufactured by him he incorporated as one of its elements the rubber purchased of the Goodyear Company.

The decree of the District Court should be reversed and the preliminary injunction dissolved.

Respectfully submitted,

FREDERICK P. FISH,
STALEY & BOWMAN,
J. L. STACKPOLE,

Counsel for Defendants, Petitioners.

**IN THE
SUPREME COURT OF THE UNITED STATES.**

October Term, 1912.

No. 311.

**THE RUBBER TIRE WHEEL COMPANY AND
CONSOLIDATED RUBBER TIRE COMPANY,**

PETITIONERS,

VS.

**THE GOODYEAR TIRE AND RUBBER
COMPANY,**

RESPONDENT.

**On Writ of Certiorari to the United States Circuit
Court of Appeals for the Sixth Circuit.**

BRIEF FOR RESPONDENT.

Underlying everything presented by petitioners in this case is this essential question:

Is the decision of this court in Kessler vs. Eldred to be practically abdicated?

Petitioners can either sue or not sue respondent's customers. If Kessler v. Eldred stands, they cannot

sue them, but will remain enjoined. If *Kessler v. Eldred* fails, petitioners can prosecute such suits against respondent's customers, with all the consequential fatal results to respondent's business. And this on a patent now already expired.

The essential question is, which shall it be.

At present, and as the law now stands, it cannot be. *Kessler v. Eldred* has been the law for six years. What vast interests have been protected by it, and what injury and destruction of business may follow its abdication, we do not know in exact figures, but as patent litigation is vast in this country, and as every important manufacturer has customers running from the hundreds into the thousands, it must be concluded as matter of common sense that enormous litigation and enormous injury to vested business interests have been prevented by the saving power of the salutary doctrine of *Kessler v. Eldred*. We say vested business interests because when a manufacturer has been sued upon a patent and defeats the suit in a final decree, on the ground of no infringement or the invalidity of the patent, a vested right at once attaches to continue, by force of such judgment, in the manufacture and sale of his articles lately involved in the suit. That is the situation in the case at bar. A brief statement of the history of the litigation between petitioners and respondent will suffice to illuminate the situation.

The original suit by petitioners against respondent, based upon the Grant rubber tire patent, was insti-

tuted in 1899 and ended May 6, 1902, in a final decree by the Court of Appeals for the Sixth Circuit holding the patent, on that record, null and void. Mr. Justice Lurton wrote the opinion. Mr. Justice Day and Judge Severens sat with him and concurred in the decision. 116 F., 363.

In October, 1902, this court denied the first certiorari petition petitioners filed to review that decree. 187 U. S., 641.

In 1909, seven years later, this court denied the second certiorari petition by petitioners. 214 U. S., 512.

In October, 1911, nine years later, this court the third time denied such a certiorari petition. 223 U. S., 724.

In June, 1907, petitioners sued the Banner Buggy Company et al. in the United States Circuit Court, Eastern District of Missouri, a customer of respondent. That suit occasioned the filing of the bill of complaint in the suit now at bar. On being served with our notice of a motion for a preliminary injunction to restrain them from prosecuting the buggy suit, petitioners herein filed an answer in this suit *renouncing* the action against the Buggy Company *as to all Goodyear tires* and confining it to other tires dealt in by the Buggy Company. The motion was thereupon not pressed.

In 1908 petitioners instituted an action under the criminal provisions of the laws of Cuba relating to patents against Alvarez & Co., customers of respondent.

ent. Thereupon we filed a motion in the case at bar moving for a preliminary injunction to restrain petitioners from prosecuting the Alvarez suit. This motion was heard and determined by Mr. Justice Lurton, who sustained the motion in principle, but did not grant the preliminary injunction because he took the view that the suit in Cuba was based upon what was, in effect, a Cuban patent, as he did not regard the registration in Cuba of the United States patent to Grant during the American military occupancy of Cuba as, in effect, a United States patent, but rather as a Cuban patent. But in his opinion (164 F., 869), he relied upon the law as laid down by this court in *Kessler v. Eldred*; and the law as expressed in other cases appearing in his opinion. He said:

"This court, as a court of equity, having jurisdiction over the persons of the defendants, may control them, by decree in personam, from doing any act within or without the jurisdiction, at home or abroad, by bringing suit or otherwise, which shall be an interference with the right of the complainant to prosecute its business without interference with the defendants by virtue of the Grant patent. *Cole v. Cunningham*, 133 U. S., 107, 10 Sup. Ct., 269, 33 L. Ed., 538; *Penn v. Lord Baltimore*, 1 Vesey, Sr. 444; *Portarlington v. Selby*, 3 Mylne & K., 104, 106; *Story Eq. Jur.*, Secs. 899, 900." (164 F., 869, 871.)

And Judge Lurton further aptly said:

"That the defendants in this suit are bound by the final judgment in the former suit is not controverted. One effect of that judgment is that, whether that decision was right or wrong, the Goodyear Company is entitled to make and sell

rubber tires free from all interference from the defendant companies by virtue of the Grant patent. Another is that defendants, as the defeated parties in that suit, may be enjoined or restrained from interfering with the business of the successful party by bringing suits based on the same patent against customers of the latter. *Kessler v. Eldred*, 206 U. S., 285, 27 Sup. Ct., 611, 51 L. Ed., 1065." (Ib., 871.)

Here was the *first* application of *Kessler v. Eldred* to the case at bar. That was in 1908. The real question now before this court was decided then, and decided in favor of respondent.

In 1908 petitioners brought still another suit against a customer of respondent, namely, John Doherty, in the United States Circuit Court for the Southern District of New York. Thereupon we renewed substantially the motion made before Justice Lurton, but relating that time to a suit in this country on the Grant patent, itself. This resulted in the decision of his Honor, Judge Sater, sitting in the then Circuit Court of the United States for the Southern District of Ohio, sustaining the motion and enjoining the petitioners from prosecuting the suit against Doherty and from instituting other suits against other customers.

In 1910 this was affirmed by the Court of Appeals for the Sixth Circuit, with the exception that the injunction was modified to confine it to restraining the prosecution of the Doherty suit, there being some question as to how far the evidence showed threats by petitioners to sue other customers at that time. 183 F., 978.

As this court will clearly take judicial notice of suits brought and pending in the several U. S. District Courts, we enumerate the following additional suits brought by petitioners and one of their territorial licensees against other customers of respondent, and now pending and awaiting the decision of this court in the matter now at bar. These additional suits are:

In 1911, petitioners and Hurd, complainants, against James Goold Co., U. S. District Court, Northern District of New York, No. 7291.

In 1911, same complainants against E. Loucks, same court, No. 7304.

In 1911, same complainants against J. E. Sawyer, same court, No. 7303.

In 1911, same complainants against Joseph Le Compte, same court, No. 7299.

In 1913, same complainants against Utterback Bros., same court, No. 85.

In 1913, same complainants against Miner, U. S. District Court, for the District of Vermont.

In 1913, same complainants against Derosia Bros., District of Mass.

In 1911, when petitioners et al. brought this suit against the Goold Company, just referred to above, we again moved the U. S. District Court, Southern District of Ohio, in the case at bar, for another injunction to restrain respondents from prosecuting this suit against Goold. Judge SATER, sitting, took the case under advisement, after oral arguments, and

later handed down his opinion sustaining said motion, and issued an injunction restraining petitioners from prosecuting such suit against Goold. (As yet unreported.) No appeal from that decision was prosecuted by petitioners. But as petitioners only were within the jurisdiction of the Ohio court and the other co-complainant, James D. Hurd, the territorial licensee referred to above, was not within such jurisdiction, being a resident and citizen of Albany, N. Y., such suit against Goold was nevertheless prosecuted. Petitioners and Hurd moved for a preliminary injunction to restrain Goold from selling Good-year tires and Judge RAY sustained the motion, granted the injunction and held that as Hurd was not reached by the injunction restraining petitioners from prosecuting the Goold suit, the action could proceed on his account, treating the petitioners virtually as unnecessary parties. 197 F., 756.

Hurd's Title.

Doubtless it was error on the part of Judge RAY to hold that Hurd alone could maintain the suit against the Goold Company, in view of the fact that Hurd's title is limited to that of a licensee to do two things, namely, "to put on" and "ship" rubber tires in a certain territory, meaning the right to make and sell. Hurd's title is so stated in the questions certified to this court by the Court of Appeals for the Second Circuit in the case of petitioners and Hurd against Seim & Reissig, and which we understand

will be heard and decided concurrently with the case at bar.

Under *Waterman v. MacKenzie*, 138 U. S., 252, it is clear that Hurd has no title upon which he could maintain a suit independently of the petitioners herein, who hold the legal and equitable title, the legal being held by The Rubber Tire Wheel Company and the equitable by the Consolidated Rubber Tire Company, as recognized by this court in the *Diamond* case, 220 U. S., 428.

Proceeding with the history of the litigation a step further, it should be noted that Judge RAY's injunctive order was vacated in the case against Goold by the Circuit Court of Appeals for the Second Circuit, in view of the pendency before this court of the unanswered questions certified to this court by that court of appeals in the *Seim & Reissig* case just spoken of.

During the taking place of some of the events above enumerated, namely, before the bringing of the suits by petitioners and Hurd against Miner and against Derosia, the patent to Grant *expired*, to wit, on February 18, 1913, which date was the end of the seventeen year term for which it was granted on February 18, 1896.

With the above picture of the litigation against respondent and its customers this court will see that even with *Kessler v. Eldred* in full force and effect for six years last past, it has not been possible to entirely suppress this hurtful litigation against re-

spondent's business, notwithstanding respondent's decree of 1902 and the three certiorari denials by this court. The subterfuge of introducing Hurd as a party complainant has enabled petitioners to practice a technical evasion of the injunctive orders issued against them in the Sixth Circuit. What then may be expected to follow in the way of destructive and enormous litigation in most hurtful interference with respondent's rubber tire business if the salutary principles of *Kessler v. Eldred* are to be abdicated, as in effect proposed by petitioners?

There are thousands of respondent's customers who have been buying tires, in every state of the Union, since the sixth of May, 1912, and since this court refused to review that decree when it denied the first certiorari petition in October, 1902. *The practical question presented to this court, therefore, is whether it is willing, and whether it would be a just and wise rule of law, to legally open the way for petitioners to flood the country with lawsuits, within six years of the expiration of the Grant patent (U. S. Rev. St., Sec. 4921), against the large number of respondent's customers.*

If this were permitted, the trade of respondent would be driven off and intimidated during the next six years, notwithstanding that the Grant patent has expired. If this onslaught of suits is permitted, the Grant patent will be used against respondent and other members of the public, namely, its customers, in a manner to practically prolong its term beyond

the 17 years fixed by law. The maintenance of *Kessler v. Eldred* will prevent this, at least in large measure—will wholly prevent it if this court should reiterate its holding in *Waterman v. MacKenzie* and apply it to this case and in the answers to be given to the questions certified in the *Seim & Reissig* case in respect of the point that, under *Waterman v. MacKenzie*, Hurd, alone, cannot maintain suits on the Grant patent. The nature of Hurd's title is recited in the facts accompanying the questions certified. It is perfectly plain that in answering the question as to whether tires, made under a decree adverse to the Grant patent, can be sold in Hurd's territory, seeing that Hurd acquired his title before such decree, this court may, and probably should, determine the nature of Hurd's title. *Waterman v. MacKenzie* clearly controls his title, and as he is only a limited licensee, his license being confined to the bare right to "put on" or make, and "ship" or sell, he cannot maintain, alone, a suit on the Grant patent. So whether his title was taken after or before such a decree is of no consequence, since by reason of the nature of his title he must depend upon the title of petitioners, and as to them such decree is conclusive and *res adjudicata* as to all tires made and sold by such manufacturer.

Division of Territory.

If a patentee were allowed to divide his patent among different territorial licensees, were then allowed to sue the manufacturer and, losing, were allowed to have his licensees sue this manufacturer's customers all over the country, a deplorable condition would result. Yet, this is exactly what petitioners are now doing, even in the face of *Kessler v. Eldred*. They are using Hurd to sue respondent's customers in Hurd's territory after having lost their suit against respondent. If they can do this, and they are doing it, through Hurd, they can do the like in the other territory through other so-called territorial licensees. Moreover, Hurd (or some similar licensee) can even sue respondent direct on the ground that respondent's tires are going into Hurd's territory.

But while they are thus escaping, or have so far escaped *Kessler v. Eldred*, they could not continue this practice of suing customers through Hurd if the sound and simple doctrine of this court in *Waterman v. MacKenzie* were applied to Hurd's title. It ought to be applied. It is clearly applicable. Under that case Hurd could not maintain these actions. Petitioners certainly never intended, when they granted him this limited license, that he should maintain suits on the Grant patent, because, if they had so intended, they would have given him a competent title

for that purpose—a title covering all three instead of two only of the rights exercisable under a patent, the exclusive right to make, to use and to sell in his territory and not merely the exclusive right to make and sell. So we say again, that the mischief now being done, in derogation of the final decree of May 6, 1902, and in disregard of the implied affirmance of that decree by this court having thrice refused to review it, could and would all be prevented by the legitimate and proper application to Hurd's license title of *Waterman v. MacKenzie*.

No New Rule of Law Needed.

From the foregoing considerations it is manifest that no further or new rules of law are required to be announced, but only that *Kessler v. Eldred* and *Waterman v. MacKenzie* be applied and enforced. That is all.

We submit that petitioners must show better and graver reasons than the facts of this litigation present before this court will be justified in abdicating or modifying *Kessler v. Eldred*; or of abdicating or modifying *Waterman v. MacKenzie*.

Right to Sue Maker, User and Seller.

The right under the statute to sue the maker, user and seller, although it means a concurrent right to sue all three at once or a successive right to sue one such party after another, is subject to the qualification

that in either such case the right to sue the other two falls when a judgment giving satisfaction has been rendered against one such defendant.

In *Birdsell v. Shaliol*, 112 U. S., 485, 488, this court said:

"3. If one person is in any case exempt from being sued for damages for using the same machine for the making and selling of which damages have been recovered against and paid by another person, it can only be when actual damages have been paid, and upon the theory that the plaintiff has been deprived of the same property by the acts of the two wrongdoers, and has received full compensation from one of them."

"By our law, judgment against one joint trespasser, without full satisfaction, is no bar to a suit against another for the same trespass. *Lovejoy v. Murray*, 3 Wall., 1. The reasons are therefore stronger, if possible, here than in England for holding that a judgment for nominal damages against one wrongdoer does not bar a suit against another for a continuance of the wrong."

"Satisfaction, or its equivalent," was recognized in *Lovejoy v. Murray*. Mr. Justice MILLER said there must be satisfaction of its "equivalent." We think a final judgment of invalidity or non-infringement would be such equivalent, in the sense that the complainant will have had his day in court and his right of action tried, and it will have been decided. In such action he has sought to establish validity and infringement. On one or both of these he has lost. Such a judgment must, we think, be considered the equivalent of "satisfaction." Certainly so to make

judgments mutual or of equal benefit to complainants and defendants. Mr. Justice MILLER said :

"But when the plaintiff has accepted satisfaction in full for the injury done him, from whatever source it may come, he is so far affected in equity and good conscience, that the law will not permit him to recover again for the same damages. But it is not easy to see how he is so affected, until he has received full satisfaction, or that which the law must consider as such."

"We are, therefore, of opinion that nothing short of satisfaction, or *its equivalent*, can make good a plea of former judgment in trespass, offered as a bar in an action against another joint trespasser, who was not party to the first judgment." (3 Wall., 1, 17.)

Here the principle is that the owner of the patent, having pursued one such alleged infringer to final judgment and satisfaction, he must not thereafter sue or prosecute an action against either of the other two kinds of alleged infringers. For instance, if a complainant succeeded in an action against, say, a manufacturer, and got satisfaction, he could not thereafter sue or prosecute actions against the seller and user of such manufacturer's goods.

Can any different result be permitted if the complainant loses in the first action, say, against the manufacturer? Are not judgments mutual, and as beneficial to defendants as to the complainants? If so, then, complainant's loss of one such action, say, on the ground of no infringement or on that of the invalidity of the patent, would prevent complainant

from suing either of the other parties to the repeated injury of the manufacturer—as by suing respondent's customers after having sued and lost against respondent itself.

It clearly was in recognition of this general and frequent situation that *Kessler v. Eldred* was promulgated. A manufacturer, having thus defeated a patent in an action involving certain of his goods, was not to be thereafter harassed by suits against his customers. Apply these principles and the case at bar will be decided for respondent.

Privity.

If there is privity between respondent and its customers, then respondent has an additional ground upon which to restrain petitioners from suing respondent's customers. In *Kessler v. Eldred* the ground is that of the right of respondent to not have its business interfered with. Going a step further, it is clear that if there is privity between respondent and its customers, respondent would be entitled to enforce its decree in the protection of itself and its customers.

We are not now urging the defense of privity to be advanced by the customer. The customer is not here in this court, but the respondent, the manufacturer, is. We are mindful that in the Kessler case this court specifically reserved the question of the defense by a customer on the ground of privity, but we are looking beyond that and to the case presented by this record, namely, cannot a manufacturer enforce its

final decree in the interest of itself and its customer, on the ground of privity between itself and the customer, as a ground in addition to that given in the Kessler case for enforcing its decree. We think it can. The Court of Appeals for the Ninth Circuit twice held, before the Kessler case arose, that as between a manufacturer and his customer, the relation of privity existed as to the articles the customer purchased from him. *Norton v. San Jose*, 79 F., 793, and 83 F., 512, 515. Likewise, Judge KOHLSAAT, in *Warren v. DeCamp*, 154 F., 198, based on the early decision of Judge DRUMMOND to that effect in *Lea v. Deakin*, 15 Fed. Cas., p. 95, No. 8154. And this relation exists between Doherty and respondent, because he was its customer. In the first reported Norton case (79 F.) the syllabus states the rule laid down in the text:

"In a suit against a manufacturer of a machine for infringing a patent, a judgment for defendant, on the merits, on the question of infringement, is conclusive in a suit by the same complainants against a purchaser of the identical machine from said manufacturer." (79 F., 793.)

In the second reported Norton case (83 F.) the same Court of Appeals said:

"The appellee purchased its machine from Jensen. It is the same machine as was involved in *Machine Co. v. Norton*. This court held in that case that the machine in question did not infringe upon any of the Norton patents therein involved. 14 C. C. A., 383; 67 F., 236. If the manufacturer of the machine did not, by the making, use, or sale of it, infringe upon any of Nor-

ton's patents, it must necessarily follow that the party who purchased the machine, either before or after the suit in question, cannot be held guilty of an infringement by the use of the same identical machine." (83 F., 512, 515.)

In *Lea v. Deakin*, Judge DRUMMOND, in the Circuit Court for the Northern District of Illinois, said:

"The proof also shows that the plaintiffs filed a bill in chancery in England against the principal of the defendant, Millar, of London, on the ground that he or his company were manufacturing the very species of sauce which is the subject of controversy in this case, asking for an injunction to restrain him from such manufacture, and from using the term 'Worcestershire Sauce,' they claiming that they had the right to it as a trade-mark, and that no one else could use it without their consent, and also asking for an accounting from the defendant. The case was heard by the master of the rolls, Sir George Jessel, and fully considered by him in 1876, and the injunction was refused and the bill dismissed. See *Sebast. Trade-Marks*, 305; *Seton*, Dec. (4th Ed.) 242. There was no appeal from this decree; on the contrary, it seems to have been acquiesced in by the plaintiffs. I see nothing in the record to raise a doubt that the case was decided on its merits. I think, therefore, that case is a bar to the action of the plaintiffs. They brought the suit against Millar, the principal of the defendant in this case on the very subject-matter of controversy here; they asked for an injunction for the same reasons that the injunction is asked here, and for substantially the same general relief. It was refused by the master of the rolls, and the bill dismissed. Deakin, the defendant here, has acted for Millar, the defendant in that case. *It would be an anomaly if it were true that Millar*

could manufacture and sell his sauce in England, and at the same time Deakin, who sells it here, and obtains it from him, could be restrained here at the instance of the plaintiffs from selling it."
(15 Fed. Cas., 95.)

This court cited *Lea v. Deakin*, with approval, in *Hilton v. Goyot*, 159 U. S., 113, 170, on the point of the extra territorial effect of judgments *in personam* at law and in equity, holding that if a foreigner sue a citizen or a citizen sue a foreigner, both are equally bound by a judgment *in personam*.

Then, more lately, Judge KOHLSAAT cited and followed Judge DRUMMOND's decision in the case of *Warren Featherbone v. DeCamp*, 154 F., 198, a patent suit. The facts and conclusions are thus given by Judge KOHLSAAT:

"This suit is brought to restrain defendants from infringement of patent No. 559,827 * * *. The bill was filed February 5, 1904. Previously, and on December 15, 1902, complainant herein brought suit upon the same patent against the American Featherbone Company for infringement * * * decided by the Circuit Court of Appeals * * * August, 1905, in which the patent was declared invalid * * *, reversing the Circuit Court and ordering the bill dismissed for want of equity. * * *"

Then, after reciting other facts showing that DeCamp and others were sales agents of the American Featherbone Company, and consequently in privity with it, Judge KOHLSAAT further said:

"From the foregoing, it is evident that defendants were the sales agents of the American

Featherbone Company, and in privity with it. It is a well-established principle of law that, where the subject matter of a cause has been once determined in a court of final jurisdiction by a final decree, not procured by fraud or collusion, another suit cannot be maintained between the same parties or their privies on the same cause of action, if the question of *res adjudicata* is properly raised by the pleadings. *Pratt v. Griffin*, 223 Ill., 349, 79 N. E., 102; *New Orleans v. Citizens Bank*, 167 U. S., 371, 17 Sup. Ct., 905, 42 L. Ed., 202; *Cromwell v. Sac. Co.*, 94 U. S., 351, 24 L. Ed., 195.

"Undoubtedly, the act of an agent constitutes a separate infringement, and subjects him to an independent suit, and had the American Featherbone Company been held liable on the former action, or had that suit not been disposed of upon the merits, defendants, if found to be infringers, could have been held in the present suit. That, however, is not the question here. *As between complainant herein and defendants' principal, the patent in suit has been adjudicated void. Manifestly, complainant herein could not again pursue the American Featherbone Company upon the same subject matter. It is plainly res adjudicata. Under the decisions, that defense inures to the benefit of those in privity with the latter company.* That defendants are in privity with the American Featherbone Company, and entitled to the benefit of the former adjudication, seems incontestable. In the case of *Lea et al. v. Deakin*, 11 Biss., 23, Fed. Cas. 8, Judge DRUMMOND held that a decree rendered by the Master of the Rolls, in England, refusing an injunction, and dismissing a bill in equity brought against the principal of the defendant in the case before Judge DRUMMOND to restrain the infringement of an alleged trade-mark, and which was not appealed from, was a complete bar to a suit

in this country for the same purpose by the same complainants against the agent of the defendants in the English suit." (P. 199.)

The court next points out that defendant, DeCamp, became the agent of the American Featherbone Company subsequent to the institution of the suit against that company. In the case at bar the record (p. 23) shows that Doherty became the customer of respondent in 1907, while the original action against the Goodyear Company was finally decided by the decree of May, 1902. Thus the ingredient, that, in order to be a privy, one must have come into that relation to the principal after the institution of the action against the principal, is supplied in this case.

Thus under these well considered decisions of the several judges of the Court of Appeals of the Ninth Circuit and of Judge DRUMMOND and Judge KOHL-SAAT, it is clear that where one party buys and sells or deals in the goods of a manufacturer, he holds the relation of privy and, as such, is entitled to the benefits of a final judgment rendered in a case between his principal and a complainant who afterwards sues him.

We submit, therefore, that it is, and should be, equally true in law that such manufacturer or principal can enforce his rights as one of the parties to this relation of privy by enjoining the prosecution of suits brought against his customer or agent in privity with him, where such suit is a repetition, as in the case at bar, of the former litigation and affects

his interests adversely, as by interfering with his business in the subject matter of the former litigation.

So we here invoke not only the doctrine of res adjudicata, as between petitioners and respondent, but also the doctrine of privity between respondent and its so-called agents or customers. Judge DRUMMOND would not allow the agent or customer to be sued in Illinois after the principal had successfully defended against the same complainant as to the same subject matter in England. Judge KOHLSAAT would not allow the agent or customer to be sued after the principal had been similarly sued and had defeated the action by showing the invalidity of the patent. It is true that in those cases the objection to the maintenance of the suit was raised by the agent or customer when sued, while in the case at bar the same result is being sought by the interposition of the principal or manufacturer by the more direct route of a bill to restrain suits against all of the customers, which is a better method than to allow a flood of suits against hundreds or, perhaps, thousands of customers, each to be defended under the doctrines of privity. The result, however, is the same in either case, namely, the defeat of the suits against the customers or so-called agents, with the advantage that by the injunction route one action suffices. We appeal to this court to recognize what is here submitted. It is clearly sound in and of itself; and if *Kessler v. Eldred* is to stand unimpaired and unabdicated, then what is here urged is but asking the continued application of the *Kessler* case to the one at bar.

As illustrating how this court has already stood ready to apply the doctrine of *res adjudicata* in a liberal and effective way, to produce practical results, we beg to cite *Johnson Co. v. Wharton*, 152 U. S., 252. In that case plaintiff sued defendant to recover stipulated patent royalties. The defendant set up that its articles were not covered by the patent embodied in the license. Defendant lost. But the amount was not sufficient to permit a review by this court. Plaintiff then sued defendant again for further royalties, and defendant set up the same defense and no other. This time the amount involved was sufficient and this court held that the subsequent action was barred by the first. See also *U. S. v. Hubbell*, 171 U. S., 203.

Therefore, as the action of petitioners in suing respondent's customers *reacts against respondent's business* to its injury, respondent is entitled, by reason of its relation of privity with its customers, to restrain the prosecution of such suits to prevent irreparable loss due to such reaction.

PETITIONER'S POSITION.**Conflict.**

We understand petitioners will urge seeming conflict between the application of *Kessler v. Eldred* by the Court of Appeals of the Sixth and Second Circuits. Also that the courts of the former unduly extended the doctrine of the *Kessler* case. But there is no conflict; and there has been no extension of the doctrine. In the Second Circuit the court said, "Inferior courts should be cautious about extending the principle enunciated in that case (*Kessler v. Eldred*) beyond the limits in which it was there applied." In the Sixth Circuit both the lower and upper courts simply applied the doctrine of the *Kessler* case to the case at bar by enjoining petitioners from suing respondent's customers. In the original *Kessler* case the judgment was non-infringement by the manufacturer. In the original *Goodyear* case the judgment was invalidity of the patent. Under either decree the manufacturer's goods were placed beyond the reach of the patent sued on. In other words, in both cases the decrees adjudged that these goods could be continued to be made and sold. Suits against customers thereafter brought are equally hurtful whether the manufacturers defeated the original suits against them on the ground of no infringement or invalidity of the patent sued on. In either case they hold the

equal right not to have their business interfered with. The doctrine enunciated by this court in the Kessler case, therefore applies in either case and to the Good-year case. Mr. Justice LURTON so understood the matter when he wrote his opinion on our motion referred to above. Likewise, Judge SATER so understood and acted. And our Court of Appeals, Judges WARRINGTON, SEVERENS and KNAPPEN took and held the same view. There certainly was no extension of the Kessler doctrine by these five judges. Equally certain is it that there was no conflict between their rulings and the mere suggestion by the Court of Appeals in the Second Circuit that "Inferior courts should be cautious about extending the principle enunciated" in the Kessler case. The case at bar and the Kessler case are substantially identical, for in the two cases the averments, purposes and prayers of the bills are precisely parallel. Indeed, the bill in our case was drawn from and patterned after the Kessler bill, itself.

Wire and Channel Men.

We apprehend petitioners will argue that they ought to be allowed to sue respondent's customers who have bought only rubber from respondent and their wire and channel iron from others. They will say that to enjoin them from suing such customers, will, in effect, allow the wire and channel men to escape. But there is a simple answer to this. If the wire and channel men have heretofore committed any infring-

ing act by supplying respondent's customers with wire and channel, in those cases where the customer did not buy the wire and channel, or either from respondent, then petitioners can sue them for such infringing acts. *It is not necessary to sue respondent's customers in order to reach the wire and channel men.* But the fact that they have heretofore sued only our customers in this connection shows conclusively that the real motive has been to interfere with respondent's trade in derogation of the decree of May, 1902. And they now wish to continue in this disregard of that decree—to continue in this expensive and breaking-down interference with respondent's business, by continuing such suits. Note above the several suits they have brought *since* the patent expired.

We may add that the record shows Doherty bought wire as well as rubber from respondent. See the affidavit and bill of sale by Mr. Measure. Rec., 34, 3rd line from bottom; p. 35, 5th line from bottom. The rubber, however, is the only part manufactured by petitioners and respondent. It is the "principal feature" and the substance of the tire (Rec., 24, line 4), so far as the Grant patent is concerned.

Wire and channel are common commodities, kept as stock by rolling mills, and useful for other purposes, particularly the wire. There is no known instance or reported case, however, of petitioners ever having sued the suppliers of wire or channel irons throughout the seventeen years of the Grant patent, although it has long been the trade practice for customers of respond-

ent and other rubber tire makers to buy the rubber from the rubber companies and some or all of their wire and channel irons direct from the rolling mills. Mr. Seiberling, president of respondent, testified in his first affidavit that up to that time (September, 1908), Doherty "had bought from this company rubber tires manufactured at its factory in Akron, Ohio, of the same kind as involved in the original suit between" petitioners and respondent and that "the rubber tires so sold by this company to said Doherty consisted of the tires proper, that is to say, the rubber tires themselves." (Rec., 23, 24.) "I further say that the custom pursued with said John Doherty is exactly the same pursued with the other United States customers of this company before, during and since the former suit between" petitioners and respondent. "It being also true that the customers of all the rubber tire companies buy some of their wire and channel irons from outside dealers in these articles." (Rec., 33.)

From these circumstances, petitioners argued in the federal courts in Ohio, and we presume will argue again, that the business done with Doherty, being generally confined to the rubber alone, is not covered by the decree of May, 1902, but we can see no point in such a contention. Touching this, Judge SATER said:

"The Appellate Court of this circuit having declared the Grant patent void, each and every claim and each and every element of every claim set forth in it must be regarded as conferring no right whatever on the defendants, or either of

them, as against the complainant. The Grant letters are not, in consequence of such decree, susceptible of infringement by the complainant, by its device, or by any part or parcel thereof. As against the defendants, the complainant may use its tire, or any part thereof, in such manner as it chooses, because they have no right under the Grant patent which complainant may not freely exercise. The court's decree was a withdrawal from defendants, as against complainant, of all protection and exclusive rights claimed by them under that patent, and unalterably fixed the rights of the parties to this, as well as to that suit.

"Have the defendants, by bringing suit against one of complainant's customers, violated its rights? If they may maintain one suit, they may maintain others, and thus by harassing complainant's customers, diminish its sales, as no one will care to buy complainant's device, or any part of it, if in so doing he buys a lawsuit. The *complainant's right is that its customers shall not be disturbed.* (*Italics ours.*) Its right to use its device as an entirety, or the elements thereof singly, without molestation, would be of little value if its customers may not enjoy the same privilege. If the complainant may vend, or use, the whole or any part of its patented device, as it may do so as against the void patent, regardless of any claims asserted by defendants, it would seem logically to follow that the defendants may be enjoined from interfering with the business of the complainant by bringing suit based on such void patent against complainant's customers, whether the business conducted with those customers is the vending to them of the whole of the patented tire, or some one or more of the elements which enter into it. *Goodyear Tire & Rubber Co. vs. Rubber Tire Wheel Co.*, 164 Fed. Rep., 869. The rights of the parties, as fixed by final judgment of the Appellate Court of

this Circuit, must be recognized by them in every way whenever that judgment is entitled to respect. Having the right to vend its product as an entirety, or in parts, without hindrance from defendants, *it is not required to sit idly by witnessing the destruction of its trade with no recourse save an action for damages.* Whether the complainant has sold this or that element of the device described in its letters patent with the intent and purpose that such element should be used in combination with other elements covered by the Grant patent, is immaterial, because as against the complainant there is no Grant patent."

This reasoning would seem to be unanswerable; it is focused alike upon the finality of a final decree, and the right under *Kessler v. Eldred* not to be interfered with in one's business by parties bound by such decree. The Court of Appeals for the Sixth Circuit expressed the same conclusion, saying:

"It appears that the appellee in fact both before and at the date of the Grant patent conducted the business, and that it has ever since then maintained the business of manufacturing and selling *rubber* tires. Manifestly that *business*, irrespective of the wire and rim trade, must be impaired if the appellants are to be allowed to prosecute suits against appellee's customers for rubber tires.

"* * * The present appellee's right as against appellants to make and sell solid rubber tires, metal rims, and wire was adjudged to be unaffected by the Grant patent because it was invalid and void. The inevitable effect of the final adjudication, as between these parties, was, we think, to restore appellee to the same rights respecting the sale of its tires that it would have

possessed had the Grant patent never been issued. To say anything less than this—to say that appellee may sell all the elements of the Grant patent as an entirety but may not sell them separately—is to deny to appellee in regard to a void patent a privilege equivalent to that accorded to a licensee under a valid patent to use less than the whole of the patented device (*Young v. Foerster*, [C. C.], 37 Fed., 203, 204), or to a purchaser of a valid patented device to use as part of it an unpatented article (*Morgan Envelope Co. v. Albany Paper Co.*, 152 U. S., 425, 433, 14 Sup. Ct., 627, 38 L. Ed., 500). It follows that appellee's right as against appellants to make sales of any or all of the articles comprised in the Grant patent is at last referable to that principle which recognizes an absolute power in every man to dispose of his own property. The sanction then of any result of the former judgment which necessarily hampers and injures the successful party to the suit in the prosecution of its business would be at once illogical and unjust.

"It is manifest that the elements of the Grant patent and the rights of the parties in respect of each of those elements, as well as the combination, were involved in the issues of the original case in the sense that they were heard and adjudged on their merits; and consequently the subject matter of the former suit and judgment must in accordance with familiar principles be held to have included the subject matter of this suit." (183 F., 978, 982, 983, 984.)

And back of these sound conclusions were the observations of Justice LURTON, quoted *supra*, interpreting *Kessler v. Eldred* in the light of much earlier decisions of this court, which he cites. As the decree of May, 1902, between these parties, left no part of the claims of the patent valid, then it is immaterial,

as to respondent's "right to be let alone," whether the customers bought the particular wire and channel or only the more important part, the rubber, from respondent, because in any case, the ultimate effect of suing Doherty is the same, namely, to stop Doherty from buying rubber from the respondent, thus setting up a destructive interference with respondent's rubber tire business.

Moreover, even conceding everything else (which of course we do not do), still respondent's rubber ought to be free in cases where rubber alone is bought, so that a customer using respondent's rubber should not be sued as to it.

Old License Contract.

There was a temporary license between petitioners and a number of manufacturers, operating from August, 1903, to August, 1904. It appears at page 16 of the record. We apprehend petitioners will refer to it as showing some sort of waiver on the part of respondent of its rights under the decree of May, 1902, respondent having signed that agreement. But the instrument specifically avoids any such consequences, if any such waiver could be said to follow from it, by, in direct terms, reserving all legal rights and the then legal status of all the parties. As touching this the Court of Appeals for the Sixth Circuit, in sustaining Judge SATER's injunctive order, said:

"In respect to the license agreement, it is sufficient to say that it was entered into expressly without prejudice to the rights of any of the

parties in August, 1903, for one year, and was neither renewed nor observed thereafter. If the agreement was not invalid on its face, which we do not decide, we are unable to see how anything done in pursuance of it could, as claimed, estop appellee [respondent] from insisting upon the observance of the right adjudged in its favor in the former suit." (183 F., 984.)

The section of the license agreement referred to by Judge WARRINGTON in the above quotation reads as follows:

"III. It is hereby mutually agreed by and between the parties hereto that this license agreement shall in no way prejudice either of the parties hereto, but that the legal status of the parties existing prior to the execution of this agreement shall remain unaffected by this agreement in every respect." (Rec., 17, 18.)

This would seem sufficient to dispose of any now attempted use of this old temporary arrangement.

Diamond Case.

It may be urged that the Grant patent was sustained by this court in the Diamond case, 220 U. S., 428, after it was declared void in the Goodyear case. But as the records were different; as this court denied one of petitioners' certiorari petitions to review the Goodyear judgment (214 U. S., 512), after it allowed the certiorari petition in the Diamond case, but before it decided that case, and as it denied the last of petitioners' certiorari petitions for that purpose

(223 U. S., 724), *after* it decided the Diamond case, it must be assumed that this court has accepted that judgment as just between petitioners and respondent on that record. Moreover, as respondent was in no wise connected with the Diamond suit, any such suggestion is out of place in this proceeding.

Respectfully,

H. A. TOULMIN,
Counsel for Respondent.

April, 1913.

Petitioners' brief was not filed as per the rule of court, but only a few days before the hearing. Respondent's brief was filed in accordance with the rule and was prepared before petitioners' brief was filed.

The whole argument of petitioners rests on the claim that Doherty "manufactured a rubber-tired wheel." Not so. The record shows:

(1) Doherty made no wheel at all. The wheel was brought to him by an unknown person, who requested him to apply a Goodyear tire.

(2) Petitioners' manager then called and directed Doherty to buy wire from some one other than the Goodyear Company. He thereupon bought it from Rutherford.

(3) The manager also directed him to buy channel iron from some one other than Goodyear. He thereupon bought it from Goodrich.

(4) Petitioners paid Doherty for this labor and these materials. He did it all at their expense.

(5) Doherty was a small rubber tire repairer, in a basement, with no machinery except a machine furnished him by petitioners for applying the rubber to channel irons. He had no means of applying channel irons to wheels.

These facts appear at pages 30-1 and 36-7, Record, and in Judge Sater's findings, upper half page 39. They are undisputed. Petitioners' brief is cautiously silent on these subjects.

Conclusion.

It is mere sham, therefore, to claim that Doherty was a manufacturer of rubber-tired wheels.

It is not conceded that Goodyear tires would infringe the Grant patent. That statement at page 9 petitioners' brief is challenged.

The statement at page 12 that Doherty prepared this wheel with "his own machinery at his own expense" is wholly untrue. See the facts above.

**RUBBER TIRE WHEEL COMPANY v. GOODYEAR
TIRE AND RUBBER COMPANY.**

**CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE
SIXTH CIRCUIT.**

No. 37. Argued May 7, 1913.—Decided February 24, 1914.

In *Diamond Rubber Co. v. Consolidated Rubber Tire Co.*, 220 U. S. 428, the Grant tire patent was sustained as a patentable combination, not as a mere aggregation of elements but as a new combination of parts co-acting so as to produce a new and useful result; nor did the patentability depend on the novelty of any of the elements entering into it.

Where the combination is protected by such a patent, one manufacturing it by assembling the various elements and effecting the combination is not entitled to immunity from prosecution for infringing because he purchases one element from a party who is immune under a provision in a decree permitting it to sell the patented article itself. *Kessler v. Eldred*, 206 U. S. 285, distinguished.

In this case held, that the immunity given by a provision in a decree to a specified party manufacturing and selling an article as a patentable

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combination producing new results, is not transferable, and such party, although immune himself, cannot enjoin the prosecution of suits against another as an infringer because the latter purchases from him one of the elements used in manufacturing the article. 183 Fed. Rep. 978, reversed.

THE facts, which involve the construction of a decree in a patent case and the extent and effect of the immunity granted thereunder to manufacture the patented article and the several elements thereof, are stated in the opinion.

Mr. Frederick P. Fish, with whom *Mr. J. L. Stackpole* was on the brief, for petitioners.

Mr. H. A. Toulmin for respondent.

MR. JUSTICE HUGHES delivered the opinion of the court.

The petitioners are the owners of the Grant patent (No. 554,675) issued February 18, 1896, for an improvement in rubber-tired wheels. In a suit for infringement brought by the petitioners against the Goodyear Tire and Rubber Company (the respondent) it was held by the Circuit Court of Appeals for the Sixth Circuit that the patent was void for want of novelty. *Goodyear Tire & Rubber Co. v. Rubber Tire Wheel Co.*, 116 Fed. Rep. 363. Upon the basis of the decree entered upon that decision, the respondent instituted the present suit in the Southern District of Ohio to restrain the petitioners from prosecuting suits for infringement against the respondent's customers. The Circuit Court granted a preliminary injunction. Upon appeal, the Circuit Court of Appeals for the Sixth Circuit sustained the injunction so far as it applied to the prosecution of a suit which the petitioners had brought against John Doherty in the Circuit Court for the Southern District of New York. 183 Fed. Rep. 978. This writ of certiorari was then granted.

The Grant tire is composed of three elements, (1) a channel or groove with tapered or inclined sides, (2) a rubber tire with a described shape, adapted to fit into the channel, and (3) a fastening device consisting of independent retaining wires, which pass through the rubber tire and are placed in a particular position. It was held in the Sixth Circuit that both the elements and the results were old and hence patentability was denied. *Goodyear Tire & Rubber Co. v. Rubber Tire Wheel Co.*, *supra*; *Rubber Tire Wheel Co. v. Victor Rubber Tire Co.*, 123 Fed. Rep. 85. In the Second Circuit, and in the Circuit Court for the Northern District of Georgia, the patent was sustained. *Rubber Tire Wheel Co. v. Columbia Pneumatic Wagon Wheel Co.*, 91 Fed. Rep. 978; *Consolidated Rubber Tire Co. v. Finley Rubber Tire Co.*, 116 Fed. Rep. 629; *Consolidated Rubber Tire Co. v. Firestone Tire & Rubber Co.*, 147 Fed. Rep. 739; 151 Fed. Rep. 237; *Consolidated Rubber Tire Co. v. Diamond Rubber Co.*, 157 Fed. Rep. 677; 162 Fed. Rep. 892. The controversy came to this court upon certiorari to review the decision of the Circuit Court of Appeals for the Second Circuit in the case last-mentioned and it was finally determined that the patent was valid. *Diamond Rubber Co. v. Consolidated Rubber Tire Co.*, 220 U. S. 428. The patented structure was held to be not a mere aggregation of elements but a new combination of parts co-acting so as to produce a new and useful result. It was found that the Grant tire possessed a distinctive characteristic, that is, a "tipping and reseating power." This, said this court, "is the result of something more than each element acting separately. It is not the result alone of the iron channel, with diverging sides, nor alone of the retaining bands or the rubber. They each have uses and perform them to an end different from the effect of either, and they must have been designed to that end, contriving to exactly produce it. There can be no other deduction from their careful relation. The combination of the rubber

and the flaring channel, the shape of that permitting lateral movement and compression, the retaining band, holding and yielding, placed in such precise adjustment and correlation with other parts, producing a tire that 'when compressed and bent sidewise shall not escape from the channel and shall not be cut on the flange of the channel,' and yet shall 'be mobile in the channel.'" 220 U. S. p. 443. There was thus a patentable combination, the patentability of which did not depend on the novelty of any of the elements entering into it, whether rubber, iron or wires.

Doherty, against whom suit was enjoined, had a shop in New York City where he was engaged in the business of applying rubber tires to vehicle wheels. It appeared that having purchased the rubber from the respondent, and the wire and channel from other parties, he combined these elements and fitted them to a carriage wheel, thus constructing a complete tire. This we may assume to be a typical case.

It is at once apparent that the decree in favor of the Goodyear Company in the former suit, does not work an estoppel in favor of Doherty so as to afford him a defense against the charge of infringement in making the patented structure. He was not a party to the suit in which that decree was rendered; nor, at least with respect to tires made by him, can he be regarded as a privy to that decree. We may lay on one side the question as to the rights of one purchasing from the respondent the completed article. Doherty did not purchase it; he made it himself, assembling its various elements for that purpose and effecting the combination. On no possible theory can it be said that, if the tire thus constructed was covered by the patent, Doherty was entitled to immunity simply because he bought one element of the tire from the Goodyear Company.

The respondent, however, is asserting its own right and not that of Doherty. It insists that, by virtue of the

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decree in its favor in the infringement suit, it should have the injunction in order to protect its trade. It contends that it has an equitable right to this protection by restraining suits not only against those who buy from it the structure which is the subject of the patent but also against those who buy its rubber and themselves make the patented tire. In urging this contention the respondent relies upon the doctrine of *Kessler v. Eldred*, 206 U. S. 285. There, Kessler and Eldred were rival manufacturers of electric cigar lighters. Eldred, being the owner of the Chambers patent, sued Kessler in the Northern District of Indiana for infringement. The Circuit Court, finding non-infringement, dismissed the bill; and this decree was affirmed by the Circuit Court of Appeals for the Seventh Circuit. 106 Fed. Rep. 509. Subsequently, Eldred brought suit on the same patent in the Northern District of New York against Kirkland, who was selling a similar cigar lighter, but not of Kessler's make. The Circuit Court of Appeals for the Second Circuit held the Kirkland lighter to be an infringement. 130 Fed. Rep. 342. Eldred then began a suit for infringement in the Western District of New York against Breitwieser, a user of Kessler's lighters. Thereupon Kessler filed his bill in the Circuit Court for the Northern District of Illinois to enjoin Eldred from prosecuting suit against anyone for alleged infringement of the Chambers patent by purchase, use or sale of any electric cigar lighter manufactured by Kessler and identical with the lighter before the court in the suit of *Eldred v. Kessler*. Kessler, being defeated in the Circuit Court, appealed to the Circuit Court of Appeals for the Seventh Circuit. Answering questions certified by that court, this court held that the decree in the suit of *Eldred v. Kessler* had the effect of entitling Kessler to continue the business of manufacturing and selling throughout the United States the same lighter he had theretofore been manufacturing and selling, without molestation by Eldred

through the patent which he held; and that the decree also had the effect of making a suit by Eldred against any customer of Kessler for the alleged infringement of the patent by use or sale of Kessler's lighters a wrongful interference with Kessler's business, with respect to which he was without adequate remedy at law. 206 U. S. 287, 290.

It will be observed that the equity thus sustained sprang from the decree in the former suit between the parties and that the decision went no further than to hold it to be a wrongful interference with Kessler's business to sue his customers for using and selling the lighter which Kessler had made and sold to them, and which was the same as that passed upon by the court in the previous suit. His right to make and sell the particular article, the making of which Eldred had unsuccessfully challenged as an infringement, was deemed to include the right to have others secure in buying that article, and in its use and resale. But the present question was in no way involved. It was not held that Kessler would have been entitled to restrain Eldred from suing other manufacturers of lighters who might buy from Kessler some of the materials used in such manufacture.

The distinction is controlling. Under the doctrine of *Kessler v. Eldred*, the respondent—by reason of the final adjudication in its favor—was entitled to make and sell the Grant structure, and to have those who bought that structure from it unmolested in taking title and in enjoying the rights of ownership. It may also be assumed that the respondent had the right to make and sell its rubber without hindrance by the petitioners claiming under the patent. The trade right of the respondent, however, whether with respect to the complete structure or its separate parts, is merely the right to have that which it lawfully produces freely bought and sold without restraint or interference. It is a right which attaches to its product—to a particular thing—as an article of lawful com-

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merce, and it continues only so long as the commodity to which the right applies retains its separate identity. If that commodity is combined with other things in the process of the manufacture of a new commodity, the trade right in the original part as an article of commerce is necessarily gone. So that when other persons become manufacturers on their own behalf, assembling the various elements and uniting them so as to produce the patented device—a new article—it is manifest that the respondent cannot insist upon their being protected from suit for infringement by reason merely of its right to make and sell, and the fact of its having made and sold, some component part of that article. It must be able to go beyond a mere trade right in that element and to show itself to be entitled to have its customers manufacture the patented structure. Thus the fallacy in the respondent's contention becomes apparent. The decree gave the respondent no right to have others make Grant tires. It could make and sell them, and it could make and sell rubber; it could demand protection for its trade rights in the commodities it produced. But it had no transferable immunity in manufacture. The decree gave it no privilege to demand that others should be allowed to make and sell the patented structure in order that it might have a market for its rubber.

The suit against Doherty was based upon his conduct in constructing Grant tires. The fact that the respondent could not be charged with liability as a participant in the infringement thus alleged did not excuse him; and the petitioners in bringing the suit did not violate any right of the respondent.

It is not necessary to consider the evidence bearing upon the question whether Doherty had authority from the petitioners, as that is a matter between him and them, and if the facts afford him a defense he is free to urge it.

The decree of the Circuit Court of Appeals, in so far

as it affirmed the order of injunction granted by the Circuit Court, is reversed and the cause is remanded to the District Court with instructions to enter an order denying the application for injunction.

It is so ordered.

MR. JUSTICE DAY states that in his view the suit against Doherty was properly enjoined upon the principles established in this court in *Kessler v. Eldred*, 206 U. S. 285, and, without repeating, agrees with the reasoning by which that conclusion was reached in the opinion of Judge Warrington, speaking for the Circuit Court of Appeals in this case.
